

1 BEFORE THE NEW YORK STATE SENATE FINANCE
2 AND ASSEMBLY WAYS AND MEANS COMMITTEES

3 JOINT LEGISLATIVE HEARING
4 In the Matter of the
5 2010-2011 EXECUTIVE BUDGET ON
6 HIGHER EDUCATION

6 Hearing Room B
7 Legislative Office Bldg.
8 Albany, New York

8 January 27, 2010
9 10:05 a.m.

9 PRESIDING:

10 Senator Carl Kruger
11 Chair, Senate Finance Committee

12 Assemblyman Herman D. Farrell, Jr.
13 Chair, Assembly Ways & Means Committee

13 PRESENT:

14 Senator Liz Krueger
15 Vice Chair, Senate Finance Committee

16 Senator John A. DeFrancisco
17 Senate Finance Committee (RM)

18 Assemblyman James P. Hayes
19 Assembly Ways & Means Committee (RM)

20 Senator Toby Stavisky
21 Chair, Senate Committee on Higher Education

22 Assemblywoman Deborah J. Glick
23 Chair, Assembly Committee on Higher
24 Education

25 Senator Velmanatte Montgomery

26 Assemblyman Steven Englebright

27 Assemblyman Michael J. Cusick

1 2010-2011 Executive Budget
Higher Education
2 1-27-10

3 PRESENT: (Continued)

4 Assemblywoman Donna Lupardo

5 Assemblyman Philip M. Boyle

6 Senator Elizabeth O'C. Little

7 Assemblyman Mike Spano

8 Assemblywoman Earlene Hooper

9 Assemblyman Joel M. Miller

10 Senator Brian Foley

11 Assemblyman Charles Lavine

12 Assemblyman Keith Wright

13 Assemblyman Jack Quinn

14

15

16

17

18

19

20

21

22

23

24

LIST OF SPEAKERSSTATEMENT

1		
2		
3		
4	Nancy L. Zimpher	7
5	Chancellor State University of New York	
6	Matthew Goldstein	123
7	Chancellor City University of New York	
8		
9	Elsa M. Magee	191
10	Acting President NYS Higher Education Services Corporation (HESC)	
11		
12	David M. Steiner	220
13	Commissioner NYS Department of Education	
14	Andrew Pallotta	280
15	Executive VP, NYSUT	
16	Dr. Phillip H. Smith	286
17	President, UUP	
18	Dr. Barbara Bowen	293
19	President, PSC	
20	Laura L. Anglin	311
21	President Commission on Independent Colleges & Universities	
22		
23	Peter Barry	322
24	Vice President New York State University Police Officers Union	

LIST OF SPEAKERS

STATEMENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Aquina Nolan	330
Chairperson	
CUNY Coalition for Students with Disabilities	
Patrick Krug	336
Chairperson, Board of Directors	
Fran Clark	
Program Coordinator	
NYPIRG	
Cory Provost, Chairperson	351
Oscar Perez	
Christopher Boyo-Fashola	
Keston Boyce	
Clement James	
Tatiana Benjamin	
CUNY University Student Senate	

1 CHAIRMAN KRUGER: Good morning,
2 ladies and gentlemen, and welcome to the
3 third set of statutory hearings concerning
4 our FY 2010-2011 State Budget.

5 Pursuant to the State Constitution and
6 the Legislative Law, the fiscal committees
7 of the State Legislature are authorized to
8 hold hearings on the Executive proposal.
9 Today's hearings will be limited to a
10 discussion on the Governor's proposed budget
11 for the City University of New York, the
12 State University of New York, that part of
13 the State Education Department dealing with
14 higher education, the Higher Education
15 Services Corporation, and the Office of
16 Science, Technology and Academic Research.

17 A period following the presentations
18 will be allowed for questions from the
19 chairs of the fiscal committees as well as
20 my colleagues in the Legislature.

21 We will begin today's hearing with
22 testimony from the chancellor of the State
23 University, Nancy Zimpher.

24 Good morning.

1 CHANCELLOR ZIMPHER: Good morning.

2 CHAIRMAN FARRELL: Introduce your
3 members?

4 CHAIRMAN KRUGER: Oh, introduce my
5 members, that's a good point. Thank you.
6 To my son -- he always gives the good
7 directions.

8 To my immediate right is our vice chair
9 of the Senate Finance Committee, Senator Liz
10 Krueger. Immediately thereafter is Senator
11 John DeFrancisco, Senator Toby Stavisky, and
12 Senator Brian Foley.

13 CHAIRMAN FARRELL: On my side we have
14 with us Assemblywoman Glick, chair of the
15 Higher Education Committee, we have
16 Assemblyman Cusick, Assemblyman Englebright,
17 and Assemblyman Hayes. Oh, and
18 Assemblywoman Donna Lupardo.

19 Assemblyman Hayes will introduce his
20 members.

21 ASSEMBLYMAN HAYES: Thank you,
22 Mr. Chairman. We're joined on our side this
23 morning by Assemblyman Joel Miller,
24 Assemblyman Boyle, and Assemblyman Quinn.

1 CHAIRMAN FARRELL: Good morning.

2 CHANCELLOR ZIMPHER: Good morning.

3 CHAIRMAN KRUGER: Chancellor, for the
4 purposes of brevity, I know that you have a
5 long statement and I know we're going to
6 have many questions. So to the extent that
7 you can refer to them and summarize points
8 so we can go back to them, it would be
9 greatly appreciated.

10 CHANCELLOR ZIMPHER: Thank you.

11 Good morning. As noted, I'm Nancy
12 Zimpher, the chancellor of the State
13 University of New York. And I want to thank
14 you, Chairman Kruger and Vice Chairwoman
15 Krueger and Chairperson Farrell. I
16 certainly want to acknowledge Senator
17 Stavisky and Assemblywoman Glick, to other
18 Senate and Assembly members and to this
19 audience, in order to share, on behalf of
20 SUNY, the 2010-2011 Executive Budget and the
21 implications thereof.

22 I have had a gracious welcome to
23 New York, and I want to thank you all for
24 that. I come today in partnership with

1 Chancellor Matt Goldstein, and I want to
2 offer this public thank-you to Matthew for
3 being so industrious in the immediate care
4 and feeding of his new partner. Matt will
5 be here, and I just want you to know that we
6 come together today and we're very proud of
7 that partnership.

8 I'm joined today by SUNY Senior Vice
9 Chancellor Monica Rimai; she is the chief
10 operating officer of the State University of
11 New York. And I have many members of my
12 leadership team in the audience.

13 I've been here for a short eight
14 months, but it's been a very, very busy
15 time. I'm a teacher by training and a
16 teacher-educator. I've spent many years at
17 Ohio State University as a dean of the
18 College of Education there. I was formerly
19 the chancellor of the University of
20 Wisconsin-Milwaukee and, most recently, the
21 president of the University of Cincinnati.

22 Every day, in every way, SUNY reflects
23 the fundamental principles of public higher
24 education, access to excellent education for

1 all, research that tackles the most critical
2 challenges facing society in the 21st
3 century, and transformational community
4 engagement. In my many years of public
5 higher education, these are the three
6 riveting principles of our work.

7 Many of you know and in fact many of
8 you joined me on my 64-campus tour,
9 completed within the first 95 days of my
10 tenure -- 7,361 car miles, or truck miles, I
11 could say. I learned a great deal on this
12 tour and, most significantly, listened very
13 carefully to the issues and opportunities
14 that present themselves to SUNY and to the
15 State of New York.

16 I feel an immense responsibility today
17 to carry a critical message to you about
18 New York's future. In a time of tremendous
19 challenge, I believe we find ourselves in a
20 unique moment where we can create
21 unprecedented opportunities for the people
22 of this state. And that's why I'm going to
23 spend the vast majority of my testimony
24 describing SUNY's vision for the future, the

1 strategic plan we're developing that puts
2 this vision into place, and the legislative
3 proposal that will make it possible: The
4 Public Higher Education Empowerment and
5 Innovation Act.

6 I will discuss the impact on SUNY of
7 recent budget actions and the current
8 Executive Budget and then come back to how
9 SUNY will be a key partner with you in
10 driving New York's economic recovery.

11 So here's what SUNY brings to the
12 equation. We have an enrollment high of
13 464,981 students registered and enrolled
14 this fall, 25,000 more students than last
15 year. Our community college enrollments
16 grew this year by 10 percent. And as you
17 know, community colleges make up over
18 52 percent of SUNY's enrollments. And our
19 enrollment also includes over 96,000
20 minority students, accounting for 21 percent
21 of our student population. And we enroll
22 1.2 million students in continuing
23 education, which says that we serve over
24 1.6 million New Yorkers. We have a big

1 share in college-bound New York State high
2 school graduates, well above 40 percent.

3 And our academic medical centers
4 educate over 7,000 health professionals
5 annually, employ over 25,000 state
6 residents, and it should be noted that
7 80 percent of the enrollees in our medical
8 schools are residents of the State of New
9 York.

10 We also have secured annually over a
11 billion dollars in direct and competitive
12 external grants and, over five years
13 counting, 17,000 research-funded jobs for
14 the state.

15 All of these resources put us in a
16 position to address two of the most
17 significant issues facing the nation and
18 New York.

19 First let me talk about what we call
20 the leaky education pipeline. I'm talking
21 about a pipeline of educating young people
22 from birth through career, where now
23 30 percent of our high school students are
24 not graduating from high school and half are

1 not graduating if you speak of minorities
2 and children in poverty. And so many of
3 those who do graduate from high school come
4 to college underprepared for college work.
5 Forty-eight percent of our students are in
6 remedial classes in our community colleges
7 and 17 percent in our four-year schools.

8 I believe that SUNY has the resources,
9 the reach, and the talent to partner with
10 our early childhood educators, our K-12
11 educators to better prepare our teachers,
12 increase our graduation rates, and make sure
13 that every student is prepared for college
14 and career.

15 And, of course, second, SUNY's role in
16 job creation, the ability and the
17 responsibility to help create jobs for
18 New York's 21st-century economy. By
19 spinning off the discoveries from our
20 research labs into mainstream demands for
21 new products, services, and healthcare
22 outcomes, SUNY has already created
23 high-quality, stable new jobs for this great
24 state. But we can and must do much, much

1 more.

2 If we have the freedom to partner with
3 the private sector and to direct our
4 procurement activity, SUNY could employ new
5 faculty and staff in university facilities
6 and drive new construction projects. By
7 unleashing SUNY's existing resources, SUNY
8 could literally create 10,000 new jobs in
9 the next five years, such that all those new
10 graduates produced by a renewed education
11 pipeline will find quality jobs to live and
12 prosper right here in New York.

13 So we are driving down two parallel
14 tracks to make this happen. The first is
15 SUNY's systemic strategic plan, which is now
16 under construction, and the second is the
17 Public Higher Education Empowerment and
18 Innovation Act, once implemented. You could
19 say that the strategic plan is the road map
20 and the legislation is our license to drive.
21 Together, these two steps are critical for
22 SUNY to reach its ability to meet its goals
23 and serve this state.

24 So let me say a word about the

1 strategic plan. When I was appointed
2 chancellor, I did so with a charge by the
3 Board of Trustees to engage in a strategic
4 plan that would, quite frankly, transform
5 SUNY and drive economic prosperity for the
6 State of New York. But as original
7 management guru Peter Drucker once said,
8 "The best way to predict the future is to
9 create it." And in many respects, that's
10 exactly what SUNY is doing.

11 The campus tour provided me with
12 invaluable perspective on SUNY and the
13 state. And now, through this process, we
14 are working on seven themes that are going
15 to drive our commitment, in sustainability,
16 in energy, in creating quality communities,
17 in driving arts and culture, in enhancing
18 the education pipeline, in increasing our
19 commitment to health affairs, to
20 globalization and diversity in the world.

21 These themes converge on one big idea
22 for a big system of public higher education.
23 In short, SUNY can be the key driver of
24 New York's economic recovery and enhanced

1 quality of life in our communities.

2 So let me say what the power of
3 innovation can do to drive this strategic
4 plan. I'm talking, of course, about the
5 Public Higher Education Empowerment and
6 Innovation Act. We like to call it the
7 SUNY/CUNY Empowerment and Innovation Act
8 because we are both, as systems, joined
9 together make this act a reality. And that
10 includes our work in community colleges,
11 technical schools, comprehensive colleges,
12 and of course our research centers and
13 academic health centers.

14 This act uses high-impact, zero-cost
15 solutions to create jobs, build the
16 foundation for tomorrow's economy and
17 strengthen public higher education, all the
18 while building New York's revenue base. In
19 terms of impact, here's the critical
20 headline. We estimate that over the next
21 ten years these reforms will help SUNY
22 campuses create more than 2200 faculty
23 positions, 7800 campus jobs, will allow us
24 to invest over \$8.5 billion in capital

1 construction, which will support over 65,000
2 construction and industry jobs. It would be
3 impossible to overstate the magnitude of
4 this proposal, which is truly a milestone in
5 SUNY's 60-year history.

6 There are five major policies in this
7 SUNY/CUNY Empowerment and Innovation Act. I
8 will do them quickly.

9 First, it streamlines business
10 practices, eliminating the pre-audit of
11 university expenditures and contracts, but
12 still subjecting those activities to
13 post-audit. I might point out that New York
14 is one of only four states in the nation
15 that still requires this pre-audit state, so
16 the competition is well ahead of us.

17 Secondly, the act helps our campuses
18 become more entrepreneurial, allowing the
19 University to enter into land-lease
20 agreements, public/private partnerships, and
21 the joint ventures -- and, I might add, with
22 the approval of a newly created State
23 University Asset Maximization Review Board.
24 We might shorten that title, but it is

1 oversight of the kind of public transparency
2 I believe you request and will hold us
3 responsible to.

4 It will allow us to create stronger and
5 better partnership with the private sector,
6 build and diversify our revenue streams, and
7 be more effective in cost-containment. And
8 in the text we elaborate on some of our best
9 models of public/private partnerships.
10 Perhaps the most well-known is the Nanoscale
11 Science and Engineering Center in the Albany
12 nanotech complex.

13 The third and fourth elements of this
14 act are about tuition policy and financial
15 independence. Of course, it all comes down
16 to our students, who are New York's future.
17 That's why this SUNY/CUNY Empowerment and
18 Innovation Act sets up a funding model that
19 protects student tuition and fees and other
20 campus-generated funds from other uses, such
21 as deficit reduction, by moving those
22 revenues off-budget and depositing them with
23 the University. It authorizes the SUNY/CUNY
24 boards of trustees to implement rational and

1 differential tuition, adopts out-of-state
2 maximum enrollment percentages, invests all
3 tuition fees and other campus-generated
4 revenues, including hospital fees, with the
5 University by bringing them off-budget, and
6 repeals the tuition-sharing statute adopted
7 in last year's budget, properly restoring
8 student tuition dollars back into the hands
9 of the University.

10 This legislation will enable the
11 creation of fair, equitable, and responsible
12 tuition planning. I hope you remember those
13 terms. "Fair" because tuition will be
14 predictable, so that our students and their
15 families can plan for the costs of their
16 education. But also "equitable," using a
17 Higher Education Price Index which actually
18 drives costs, so that we're matching tuition
19 to real costs, and it is tuned to market
20 perspectives, so that we're in a
21 market-driven economy. And, finally,
22 "responsible" because we will be
23 consultative, particularly with our student
24 body, as the Board of Trustees frames our

1 tuition policy. Let me reiterate: Fair,
2 equitable, and responsible.

3 And finally, and I hope this warms your
4 heart, this bill calls for transparency and
5 accountability. You will have oversight
6 over our use and our allocation of state
7 funds. The revenue we derive from tuition,
8 fees and other sources and activities,
9 expenditures for personal and nonpersonal
10 services, programs and activities funded by
11 tuition revenue derived from differential
12 tuition, our enrollment planning and any
13 such other information that you and the
14 budget director might request.

15 Furthermore, going off-budget with
16 tuition revenue makes it possible to show
17 you, our students, and their families that
18 their tuition dollars are being invested in
19 their institutions and to know how the money
20 is being spent.

21 While these are the highlights of a
22 groundbreaking piece of legislation, in the
23 long run these reforms will allow SUNY and
24 CUNY to more effectively and transparently

1 invest resources in support of our mission
2 and sustained economic growth for the State
3 of New York.

4 Now, in the midst of this fiscal
5 crisis, let's look at the impact of the
6 current economic environment on SUNY. First
7 I turn quickly to past budget cuts. I take
8 very seriously the promise I made to change
9 the way business is done at the State
10 University. Of course, upon arriving here I
11 was immediately confronted with the midyear
12 Deficit Reduction Plan, which reduced state
13 funding to SUNY campuses by \$90 million. I
14 took the initiative to deal with this
15 reduction in a new way.

16 I convened a budget task force made up
17 of our presidents, provosts, vice presidents
18 for finance and research. And for the first
19 time in recent history, SUNY looked to its
20 campus leaders for advice on how to best
21 allocate this reduction -- I might add, a
22 lesson I learned from being a two-term
23 campus president, that our presidents have
24 to be involved directly in our budget

1 reductions and budget allocations.

2 This allowed for a bottom-up, not
3 top-down, process of meeting the needs of
4 our campuses -- and not strictly
5 formulaically, but by what would best serve
6 our campuses. This is part of pushing the
7 reset button with you. We are transforming
8 the State University of New York and, most
9 importantly, our relationship with you.

10 But the fact remains that the
11 \$90 million midyear reduction brings the
12 total of state aid cuts to SUNY to \$420
13 million over the past two fiscal years.
14 Given the fact that we have added an
15 additional 25,000 students over the past
16 year, there is even more pressure on our
17 campuses to do more with less. A
18 \$424 million budget reduction over two
19 fiscal years, 25,000 new students to serve.

20 There is a litany of reductions we have
21 made; I will mention only a few. Five
22 hundred ninety-six positions have been or
23 are being reduced at state-operated
24 campuses, 2.3 percent of our workforce. And

1 at the same time, enrollment at those
2 campuses grew by 3700 students. On our
3 comprehensive colleges, 9 percent of the
4 workforce has been eliminated or vacated,
5 while their enrollment grew 11 percent. And
6 campuses are going into their reserves to
7 make ends meet. We have used or are
8 planning to use 25 percent of those
9 reserves, with many of our campuses using
10 50 percent or more of their reserves and
11 three campuses using 60 percent or more.

12 We project \$147 million in reserves to
13 be tapped this year across the SUNY system.
14 And once those funds are gone, they will
15 never be seen again. And it will, in fact,
16 limit our ability to project going forward.
17 Nonetheless, a step we knew we had to take.

18 And now to the Executive Budget impact,
19 reducing state support to the University by
20 \$326 million from what the SUNY Board of
21 Trustees requested for the upcoming fiscal
22 year. The Executive Budget makes permanent
23 the \$90 million Deficit Reduction Plan cut.
24 It further reduces state support by

1 \$117 million for SUNY's state-operated
2 campuses and \$18 million for the SUNY
3 colleges at Cornell and Alfred, and this
4 includes a payroll savings target of \$33
5 million which must be negotiated with the
6 unions.

7 The Executive Budget carries forward
8 \$130 per FTE base aid reduction in the
9 2009-2010 deficit reduction plan for our
10 community colleges and further reduces base
11 aid by an additional \$285 for
12 full-time-equivalent student. The proposed
13 budget also eliminates the charge-back
14 formula for the Fashion Institute of
15 Technology for baccalaureate and master's
16 degree students.

17 And for our hospitals, the Executive
18 Budget keeps funding for our three hospitals
19 flat year to year, which means the hospitals
20 will have to cover \$99 million in state
21 negotiated collective bargaining agreements.
22 And as you know, SUNY hospital funding will
23 also be negatively funded by the recommended
24 changes in Medicaid funding.

1 With regard to our capital budget, the
2 Executive Budget recommends additional
3 capital funding of \$550 million for critical
4 maintenance capital projects on
5 state-operated campuses and \$24 million for
6 the state's 50 percent share for community
7 college projects. The state's continued
8 capital investments through the multi-year
9 capital budget are elevating SUNY's
10 facilities to a state of good repair while
11 providing a significant economic benefit to
12 the state.

13 We do understand that there are tough
14 choices to be made. But we must acknowledge
15 that these are significant cuts, especially
16 when added to the reductions over the prior
17 years. And if they cannot be moderated,
18 they will seriously affect the ability of
19 our institutions to serve students,
20 families, and our local communities. As you
21 continue budget negotiations, we are hopeful
22 that fair consideration will be given to
23 supporting all sectors of public higher
24 education.

1 All of this has been a long way of
2 saying that I want to be your partner and
3 that the State University of New York wants
4 to be your partner in driving New York's
5 economic recovery. That is why we're so
6 enthusiastic about the Public Higher
7 Education Empowerment and Innovation Act.

8 I've been impressed by the positive and
9 continuing news coverage and editorial
10 support for these proposals received from
11 Buffalo to Long Island, New York City,
12 Syracuse, Binghamton, and dozens of other
13 communities across the state. People are
14 recognizing that this is a big idea whose
15 time has come. And given the state's fiscal
16 crisis, this legislation provides a way to
17 protect the SUNY campus in your community
18 from the winds of economic change.

19 By supporting this act, you will be
20 positioning SUNY to be your strategic
21 partner in the revitalization of the state's
22 economy. And unequivocally, this is SUNY's
23 top priority. Give us the reasonable
24 reforms and independence the Empowerment and

1 Innovation Act provides, and in turn we will
2 give New York unprecedented opportunities,
3 jobs, and hope.

4 I read the *New York Times* before I came
5 to New York; I read it more closely now. In
6 the magazine section in February of '09 when
7 times were really, really tough, the big
8 article was called "The Big Fix." And I
9 quote, as a closer: "More educated people
10 are healthier, live longer, and of course
11 make more money. Countries that educate
12 more of their citizens tend to grow faster
13 than similar countries that do not. The
14 same is true of states and regions within
15 this country. Crucially, the income gains
16 tend to come after the education gains.
17 There is really no mystery to why education
18 would be the lifeblood of economic growth.
19 On the most basic level, education helps
20 people figure out how to make objects and
21 accomplish tasks more efficiently. It
22 allows companies to make complex products
23 that the rest of the world wants to buy, and
24 thus creates high-wage jobs. Education

1 helps a society leverage every other
2 investment it makes, be it in medicine,
3 transportation, or alternative energy.
4 Education, educating more people and
5 educating them better, appears to be the
6 best single bet that a society can make."

7 Thank you, and I welcome your
8 questions.

9 CHAIRMAN KRUGER: Thank you,
10 Chancellor.

11 Assemblyman Farrell?

12 CHAIRMAN FARRELL: Thank you. We
13 have been joined by Assemblyman Lavine,
14 Assemblyman Spano, Assemblyman Keith Wright,
15 and in the audience is Assemblyman Pretlow
16 and Assemblyman Mark Schroeder.

17 CHAIRMAN KRUGER: Thank you,
18 Assemblyman Farrell.

19 We have a number of questions, starting
20 with the chair of our Higher Education
21 Committee, Senator Toby Stavisky.

22 SENATOR STAVISKY: Thank you, and
23 welcome to Albany.

24 CHANCELLOR ZIMPHER: Thank you.

1 we're trying serve and now what costs of
2 tuition and whether or not we should
3 differentiate tuition either by program, by
4 degree level, or by campus.

5 So our intent is to put forward a
6 comprehensive enrollment and tuition
7 management process through our Board of
8 Trustees -- and as I said, consultative with
9 our students, and in turn, they represent
10 their family needs. We're going to use an
11 index called the HEPI, the Higher Education
12 Price Index, which is widely used by higher
13 education across the country.

14 We have a rolling average we are
15 permitted to cap tuition 10 percent or
16 under. I think we in no way intend to take
17 that to its limit.

18 And we frame differential tuition
19 within the same context, keeping in mind
20 that our students of need need access to TAP
21 funding. And if and as we pierce the TAP
22 ceiling, we are committed to close that gap.
23 Of course, we got a little surprise in the
24 \$75 cut to the TAP funds, so now we're

1 committed to close that \$75 gap and anything
2 above that.

3 But I guess what I want to summarize by
4 saying is we think policy will protect, be
5 fair and equitable and protect our students.
6 We think our commitment to TAP will protect
7 our students. And we think that planning to
8 meet the market demands of the State of
9 New York will help us keep our tuition
10 policy in check.

11 And I think one example that you might
12 be most interested in is nursing. Nursing
13 is a high-demand field. It would suggest
14 that you could increase tuitions
15 differentially for nursing because of the
16 market demand. But in fact, many nurses
17 serve in high-need areas that don't reap the
18 kind of salaries a high tuition might
19 suggest. So we're going to be very careful
20 to protect access while looking very
21 strategically at what markets might allow us
22 to increase specific tuition.

23 SENATOR STAVISKY: My question,
24 though, was how are you going to limit not

1 the cap that's been placed on the
2 institutions, but on the programs.

3 CHANCELLOR ZIMPHER: Well -- on the
4 differential tuition programs.

5 SENATOR STAVISKY: That's correct.
6 I'm talking about the programs.

7 CHANCELLOR ZIMPHER: On the programs.
8 I think it is in the spirit of using that
9 index to guide our differential tuition as
10 well.

11 And Monica may want to add to that.

12 VICE CHANCELLOR RIMAI: Well, I think
13 the statute makes it very clear that with
14 regard to proposals for differential
15 tuition, that those would have to come
16 before the Board of Trustees, that they
17 would not be subject to exclusive
18 decision-making at the campus level.

19 And I think the statute also makes it
20 very clear that in coming forward with such
21 a proposal, whether it's the campus level or
22 the department or programmatic level, that
23 the campus would have to justify that
24 proposal based upon market factors, some

1 fairness analysis.

2 One might look to, for example, what's
3 happening with health support at the
4 national level to get a sense of whether or
5 not a proposed increase at a differential
6 level, a programmatic level, would be
7 appropriate.

8 And perhaps one of the strongest
9 moderators of potential increase on a
10 differential basis is the market. One thing
11 that we know for sure, based upon looking
12 across the country, is that tuition is very
13 sensitive to market factors. And one has to
14 be very careful not to price oneself out of
15 a particular market, because students have
16 options.

17 Now, I think it's also critical, and I
18 think the chancellor has made this very
19 clear, that all of this needs to be looked
20 at in terms of a comprehensive tuition
21 policy which will take many, many elements
22 into consideration.

23 SENATOR STAVISKY: On January 21st,
24 the *Chronicle of Higher Education* had an

1 article, the headline said "The cost of
2 college is a big worry of freshmen in
3 national survey."

4 How can we assist the students at the
5 community-college level -- and you were
6 there, I was there when President Obama came
7 to Hudson Valley Community College. How is
8 this going to affect the accessibility, with
9 the cut in base aid and other cuts to the
10 community college? How are we going to
11 allay the students' fears that they can't
12 afford higher education, especially a
13 two-year degree program?

14 CHANCELLOR ZIMPHER: Well, Senator, I
15 think one aspect of the entire national
16 tuition picture is the pride with which the
17 State of New York can point to the levels of
18 our tuition relative to other institutions
19 across the country. And certainly the value
20 one gets in a SUNY and CUNY education, where
21 you have great quality mixed with
22 affordability. So I think we have to start
23 by saying we've done for years a great job
24 at keeping college affordable in public

1 higher education in New York.

2 But I think, having spent a long time
3 working with high schools and junior high
4 schools and helping students plan for
5 college, we're not still doing what we need
6 to do to get a student and his or her family
7 ready for planning for tuition, even if
8 tuition in New York is more affordable than
9 elsewhere. Students do have to be planful.

10 And quite frankly, we're going to have
11 to advocate, over time, for a relook at TAP.
12 I think everybody knows this is a key driver
13 for access. And things having changed since
14 the TAP ceiling was set. And we want to be
15 your partner in doing that.

16 But in the interim, we're going to have
17 to be more planful. Quite frankly, public
18 universities across the country do a lot of
19 fundraising to help create scholarships for
20 aid and merit. As you know, SUNY has not
21 been in the fundraising game as long as some
22 of these big Midwestern public universities
23 that I'm familiar with. But I can tell you,
24 we're going to increase our development and

1 fundraising activities, and our highest
2 priority will be student scholarships.

3 And I would add to that -- and
4 President Obama and Secretary Duncan have
5 talked about this a lot -- there are many
6 barriers to students accessing college, not
7 the least of which is the forms and
8 information and tax background of the
9 families who are seeking aid. I think we
10 can really be helpful there too.

11 SENATOR STAVISKY: You mentioned in
12 your testimony the elimination in the
13 Governor's proposal of the charge-back
14 formula, the changes in the charge-back
15 formula for FIT.

16 CHANCELLOR ZIMPHER: Right.

17 SENATOR STAVISKY: And that I find
18 very troubling. It's close to a \$9 million
19 cost, an \$8.8 million cost to FIT. What can
20 we do to help?

21 CHANCELLOR ZIMPHER: Senator, I'm
22 very glad you mentioned that. I think we
23 don't quite know what the thought was, where
24 that came from. FIT has been such a magnet

1 for advanced degrees. Not to have the
2 charge-back capacity is really crippling.

3 SENATOR STAVISKY: And all of the
4 graduates have jobs. It's an amazing
5 institution.

6 CHANCELLOR ZIMPHER: They will really
7 be glad you asked this. I was supposed to
8 speak at their convocation this morning; the
9 budget hearings trumped that. But they'll
10 be pleased with your concern.

11 SENATOR STAVISKY: One last question.

12 You indicate on page 9 of your
13 testimony that you have eliminated 596
14 positions at state-operated campuses. What
15 about at the SUNY administrative
16 headquarters? Has there been a comparable
17 reduction? Because there's a lot of
18 duplication in terms of job titles both at
19 the SUNY Central and at the various 64
20 campus locations.

21 CHANCELLOR ZIMPHER: Senator
22 Stavisky -- and any of the others of you who
23 are interested -- you have to know that one
24 of my highest priorities administratively is

1 to create checks and balances around what is
2 best done at SUNY Central and what is best
3 done on our campuses and how we can
4 facilitate the two.

5 I do know that there have been
6 considerable vacancies held at SUNY Central.
7 And while we have made some new additions to
8 my leadership team, which you would
9 certainly understand, they have not
10 eclipsed, by any means, the reductions that
11 we have made.

12 And I hope, for your interest and
13 curiosity, by the end of the year to be able
14 to show you the whole template of SUNY
15 Central. I think you deserve to know and I
16 need to know who and how Central is serving
17 our 64 campuses. So I really welcome that.
18 And I hope you hear in this a reset of our
19 relationship.

20 SENATOR STAVISKY: Absolutely.
21 Absolutely. And we thank you for your
22 candor and for your concern.

23 CHANCELLOR ZIMPHER: Thank you,
24 Senator.

1 CHAIRMAN KRUGER: Thank you, Senator
2 Stavisky.

3 Assemblyman Farrell?

4 CHAIRMAN FARRELL: Assemblywoman
5 Glick.

6 ASSEMBLYWOMAN GLICK: Thank you,
7 Chancellor. You've given us a lot of
8 information. And I know that we have a lot
9 of people on the panel, so I will try to hit
10 just a few points, although there is much
11 more that I think will deserve discussion as
12 we go forward.

13 For a long time there's been this
14 notion somehow that our tuition and our
15 tuition policy has kept us at the low end of
16 public institutions and that we give very
17 good value but that there's room for us to
18 raise tuition in proportion to the kind of
19 value we're offering.

20 Just last week it popped up on the
21 computer while I was looking in Yahoo, my
22 account, for email, the Kiplinger's 100 Best
23 Values in Public Colleges. And they had a
24 very interesting chart which included their

1 own ranking, which, you know, is always --
2 they probably throw in where the people
3 enjoy going to the schools.

4 So I never really look at the ranking
5 per se, but they had the enrollment, the
6 admission rate, the student-faculty ratio,
7 the four- and six-year graduation rates --
8 which I think was interesting, because
9 there's always this notion that somehow
10 people aren't graduating in four years and
11 that's some sort of sin when we know many
12 people are working and have family
13 commitments. And so it seems a little more
14 realistic to actually have both of those
15 comparisons in state costs. Which, to the
16 extent that they had the background
17 information, seemed to be a combination of
18 tuition, fees -- which we never talk about,
19 how the fees are in there -- and room and
20 board. And they had it as total in-state.
21 They also had out-of-state, but I'm not that
22 interested in that at the moment.

23 And I was fascinated to see that
24 University of North Carolina at Chapel Hill,

1 which we would view as a preeminent
2 institution, their in-state cost was
3 \$15,300, rounding off. Just a few steps
4 down, ranking SUNY Binghamton very high on
5 the chart, which is terrific, it indicated
6 that their total in-state cost was \$18,200.
7 The student-faculty ratio at UNC was 14, and
8 the student-faculty ratio at SUNY Binghamton
9 was 20.

10 So, you know, I went through this and
11 looked a little bit, and it was great that I
12 think 10 SUNY schools were on this list.
13 But schools like University of Washington
14 was at 17.6; Geneseo was at 17.1. So it was
15 interesting that there has been this notion
16 that we are totally at the low end when in
17 fact there does seem to be, with some of the
18 really, you know, excellent schools, we're
19 sort of actually right in the mix.

20 So in terms of, particularly in this
21 economy, the market forces that we are
22 talking about, I think there needs to be
23 some understanding of the -- there are two,
24 as I understand it, there's more than one

1 HEPI. There's a national, and then there
2 are regionals. And the regionals have
3 varying curves, so -- aside from the fact
4 that the HEPI is dramatically, the slope on
5 the HEPI is dramatically higher than the
6 CPI.

7 So in discussing where we are in a
8 rational tuition policy, how those
9 determinations will be made, the use of the
10 HEPI would have provided a 9.5 percent
11 increase this year based on the formula.
12 That's a fairly significant jump. The guess
13 would be next year would be closer to 11.

14 So I guess I'm trying to get a handle
15 on how do you see this as maintaining
16 affordability for New York students if we're
17 going to be potentially following an index
18 that is fairly high and we are currently in
19 the middle range of tuition costs.

20 CHANCELLOR ZIMPER: Well, first of
21 all, Assemblywoman Glick, I want to thank
22 you for your support and immediate attention
23 to my coming to New York.

24 I want to add to everyone here that

1 Assemblywoman Glick and Senator Stavisky
2 were on many of the campus tours, either
3 when I was there or before I was there or
4 after, and a number of other legislators as
5 well.

6 I think your interest in tuition is
7 historic, profound, and very important. I
8 think you're doing your homework at every
9 turn. I want you to know that we are adding
10 to the equation an intense study of tuition
11 by the Rockefeller Institute, which I think
12 has been a reliable source of checks and
13 balances for statewide economic policy for a
14 long time.

15 So I do expect us to be very sensitive
16 to our peer markets. As Vice Chancellor
17 Rimai has noted, we do ourselves no favors
18 if we separate ourselves from our peer
19 doctoral institutions. And that's obviously
20 the comparison between North Carolina and
21 Binghamton or Stony Brook or whatever; those
22 are doctoral institution comparisons.

23 We thought we chose, and I believe we
24 did, the most reasonable of the HEPI

1 indexes. But we can also show you, on a
2 regular basis, regional indexes.

3 Our key to managing tuition that is
4 fair, equitable, and responsible is to be
5 transparent with you and to be able to
6 present a logic for in-state tuition.

7 And, you know, it's been suggested that
8 there might be room for growth in out-state
9 tuition. We're finding that's not true for
10 our doctoral institutions. They're very
11 much with their peers, and we would do
12 ourselves a disservice if we somehow hiked
13 our doctoral -- but we look at comprehensive
14 universities differently.

15 So I think the immediate answer -- and
16 Monica may want to make a more technical
17 response -- is that we expect to report to
18 you our policies and procedures, and you
19 will be our checks and balances. In some
20 respects that doesn't exactly change our
21 relationship in radical ways, it just puts
22 us in the driver's seat to present the plan
23 and for you to understand what we're doing
24 and why.

1 The Kiplinger index, I'm not
2 particularly familiar with it, but --

3 VICE CHANCELLOR RIMAI: Well, one of
4 questions that I have about that report --
5 and I may be confusing it with another, but
6 one of the factors one has to look at in
7 determining the appropriateness of a
8 particular tuition level and how to keep
9 that down is, on the flip side, what is the
10 amount of state support that comes to that
11 particular institution. Because that is
12 probably the biggest factor that helps us
13 control tuition, since those are the two
14 revenue streams that help drive most of our
15 institutions.

16 But it's a fair point, and it's
17 something that, frankly, is a helpful data
18 point when we look at developing a
19 comprehensive tuition policy. And, you
20 know, your question is an important one,
21 because I think it really allows us to
22 examine the power of taking a comprehensive
23 approach to looking at tuition and
24 enrollment management. And here's why.

1 I really believe -- I think the data
2 bears this out -- that one cannot seek to
3 increase investment in higher education,
4 whether we're SUNY or any other place, based
5 on one single factor. So in short, for
6 example, we cannot solve our needs for
7 greater revenue need streams for
8 reinvestment on the backs of our students
9 alone. This is a multi-factored kind of
10 approach where we look at, as one factor,
11 where do we sit in national averages in
12 terms of our tuition. Why is that
13 important? That's not important in and of
14 itself -- by itself, it doesn't rationalize
15 or justify a tuition increase -- but because
16 it may suggest something about the market.
17 And what the market will bear is an
18 appropriate consideration.

19 But as important is affordability,
20 because there's this sweet spot, I really
21 think, between the size of your enrollment
22 and your tuition. And there's a point at
23 which those factors will cross, and you can
24 price yourself at a point where your

1 enrollment begins to decline such that
2 you're just chasing your tail. On the flip
3 side, increasing enrollment without careful
4 attention to cost can actually decrease your
5 revenue stream, because each additional
6 student can actually drive up cost because
7 they represent, you know, additional need
8 for resource.

9 So it is the ability to look at all of
10 these factors together that really allows us
11 to develop a comprehensive, fair, equitable
12 and responsible approach to where we put our
13 tuition.

14 As important on the affordability side
15 is the ability, then, to look at TAP or
16 other sort of grant opportunities. If we
17 have control in a comprehensive way, that we
18 can take some portion of that tuition
19 revenue and drive it back into grant support
20 so that we are absolutely sure that we are
21 maintaining affordability.

22 So, I mean, we could go on for hours
23 about how these various elements interplay.
24 But I think the point is that it is the

1 ability to look at all of these factors in a
2 comprehensive way that makes this fair,
3 responsible, and equitable.

4 ASSEMBLYWOMAN GLICK: I appreciate
5 that. And you're right, not only can we, we
6 will go on for hours at some other point on
7 this matter.

8 CHANCELLOR ZIMPER: We welcome that.

9 ASSEMBLYWOMAN GLICK: And I'm glad
10 you sort of foreshadowed the follow-up
11 comment, which was they also included
12 out-of-state. And in most of these
13 instances, the out-of-state tuition roughly
14 was twice the in-state. And that was not
15 anywhere near the case with SUNY.

16 So there may be that breaking point
17 where you don't feel you have the ability to
18 continue to attract out-of-state. But when
19 we had, as some of our colleagues did, the
20 experience of traveling with their kids to
21 schools and seeing out-of-state people from
22 Texas or wherever and saying, "Why are you
23 here?" and having them say, "Well, your
24 out-of-state tuition is cheaper than our

1 in-state tuition," that represented a
2 serious problem. At least a perception
3 problem, if not a real problem.

4 Let me just ask a couple of other
5 questions.

6 In your testimony, you talked about the
7 great success that we're also proud of at
8 Albany Nanotech. Which is obviously a
9 terrific opportunity, not just here but now,
10 with SUNY IT, I understand there's some
11 discussions of collaborations and so forth,
12 which is great.

13 CHANCELLOR ZIMPHER: Right.

14 ASSEMBLYWOMAN GLICK: Added value,
15 totally wonderful. But that was actually
16 created under the current structure that
17 apparently the Empowerment and Innovation
18 Act seems to suggest is totally unworkable
19 and inflexible and difficult. And yet that
20 was created with that in place.

21 So I'm wondering, if that was possible,
22 why the sense is that future public/private
23 partnerships that could be equally
24 profitable on both sides is so daunting.

1 CHANCELLOR ZIMPHER: I wanted to
2 first, Assemblywoman Glick, just reiterate
3 that the whole tuition discussion really
4 will be informed by this Rockefeller report.
5 That's precisely why we joined Comptroller
6 DiNapoli to study this issue further. And I
7 think that's really good precedent; when you
8 raise issues or make suggestions about what
9 we ought to do or ought not do, then we'd
10 better get the facts. And I look forward to
11 that report, and we will be sharing it with
12 you.

13 You know, I wasn't here when some, say,
14 eight or nine years ago we started down the
15 path of nanoscale science and engineering.
16 I don't know how tortured this case study
17 was. I do know that it has taken us a good
18 year to begin to move on what would have
19 been UB 2020 had we implemented some of
20 these empowerments last year. And I think
21 speed is a part of the dilemma. Speed and
22 the roundabout that we take because we have
23 certain limitations on public/private
24 partnerships.

1 So I think this is sort of manifold.
2 First of all, when we engage in
3 conversations with business and industry,
4 our efficiency matters. I think this is an
5 underlying theme of the most recently issued
6 Business/Higher Education Task Force led by
7 President Skorten. We have to find more
8 nimble ways to deal with business and
9 industry because in that sector, speed
10 matters. We have never really been known
11 for speed -- not you, not us. But I think
12 we need to think that way.

13 Secondly, we don't want a roundabout.
14 We want to go directly, face in, to these
15 public/private partnerships, not looking
16 for, Well, we could do it if we'd go this
17 way and that way, and taking 12 months to do
18 something or two years to do something or
19 the nine years I heard to get Nanoscale up
20 and running.

21 We need five, ten Nanoscales for the
22 State of New York to fully recover. We need
23 to welcome Global Foundries with the kind of
24 nimbleness and partnership and commitment

1 that we welcomed the creation of nanoscale.

2 So I think it does come down to process
3 and our ability to be forthright in these
4 partnerships. We are being asked to do that
5 by business and industry, by the so-called
6 Skorten Task Force. We are in some very
7 interesting conversations with higher
8 education presidents and business leaders
9 today to begin to implement that task force.
10 And the Legislature's and SUNY's and CUNY's
11 contemporary way to deal with the business
12 partnership has to be at the focus.

13 So I'm going to come back and say,
14 yeah, I think we got it done. I think it
15 was a labored and slow and burdensome
16 process. We love the result. We need to do
17 more of this, and we need to do it faster
18 and, frankly, more transparently.

19 ASSEMBLYWOMAN GLICK: On that matter,
20 how many contracts does SUNY, by campus,
21 have for services, as we discussed earlier,
22 for things like transcripts? There was the
23 instance where on the screen it was
24 apparently a SUNY Plattsburgh service to

1 receive transcripts for the purpose of
2 maintaining a private scholarship. And it
3 turned out that when it didn't work out
4 smoothly, that SUNY Plattsburgh said, Well,
5 you know, really that's a Chicago firm.

6 So how many contracts exist for those
7 kind of things that people would
8 naturally -- this is reminiscent of the
9 preferred loan list for student finance
10 loans. What's the situation, or don't you
11 have a handle on it yet? Or does Monica
12 know?

13 CHANCELLOR ZIMPHER: First of all, I
14 appreciate, Assemblywoman Glick -- it wasn't
15 as if you didn't tell me you were going to
16 ask this question. So for the three or four
17 days that I've had to investigate, we still
18 don't have our arms around it, but we will.

19 I think you have a right to know when
20 we use outside vendors. And I think we'll
21 find, I hope we'll find that this was
22 limited and purposeful. But we have nothing
23 to hide here. So we're chasing it. And we
24 appreciate your oversight and monitoring,

1 and we will share this information with you
2 when we retrieve it.

3 But I think it's reasonable to know
4 what SUNY can do and provide for itself and
5 when and why it contracts with other
6 parties. And I think a part of the question
7 was particularly out-of-state firms. So if
8 we can contract and do our businesses
9 in-state, we can increase New York's revenue
10 base, which is our central challenge.

11 ASSEMBLYWOMAN GLICK: In the
12 interests of time, let me just ask one final
13 question.

14 Since you're going through this review
15 on enrollment and how you can manage that
16 and at the same time figure out what you can
17 do to deal with any TAP reduction, how do
18 you in the near term think that the TAP cuts
19 are going to affect enrollment going
20 forward? Do you think that it's going to
21 have a major impact? And is there any plan
22 or thought about what you might do to assist
23 students who might find themselves short?

24 CHANCELLOR ZIMPHER: Assemblywoman

1 Glick, the creation of the so-called SUNY
2 Budget Task Force -- which might not mean a
3 lot to you, but bringing our representative
4 presidents to the table to consider budget
5 decisions before they get allocated from
6 SUNY Plaza has been a breakthrough strategy
7 for us.

8 It was that presidents' task force that
9 agreed that if we were to raise tuition
10 enough such that it pierced the \$5,000
11 maximum TAP, we would make up the difference
12 through our campus budgets. That figure is
13 \$70. Just so you know, our tuition this
14 coming fall will be \$5,070. Seventy dollars
15 pierces the TAP ceiling. We were committed
16 through the recommendations and approved by
17 our Board of Trustees to close that gap
18 ourselves.

19 We had not projected the additional \$75
20 in the Executive Budget to reduce TAP, and
21 now we have to consider that a part of our
22 cut. But I think you know, in principle,
23 what we're going to do is provide for it. I
24 have been advised that this is a very

1 slippery slope. I think you're familiar
2 with slippery slopes: If our campuses can
3 close the TAP shortfall this year, let them
4 do it next year.

5 We cannot continue to do that. I join
6 you in advocacy for reinstating or extending
7 TAP funds, because we serve so many
8 low-income students who desperately need
9 that support.

10 ASSEMBLYWOMAN GLICK: In closing, let
11 me just say that there are a number of other
12 questions which we will continue to discuss
13 with you. And I appreciate the great
14 seriousness with which you come before us.

15 But I will also say that I am dismayed,
16 as I'm sure all of SUNY is, with the fact
17 that over the many years the percentage of
18 state support has diminished dramatically.
19 And I don't think that is in any way
20 appropriate. I think that if we going to
21 have an investment plan for the state, the
22 place you put it is in higher education.
23 And we have been eroding that state support.
24 And if we want to call it the State

1 University, we actually have to be willing
2 to step up to the plate and increase that
3 percentage of the support we provide.

4 But I also am mindful and hope that --
5 and I'm sure you are -- that part of the
6 purpose of the State University was to
7 provide an alternative to the private system
8 that people could afford. And I'm
9 desperately concerned that using the HEPI
10 index and going to a differential tuition
11 situation will only, by market forces, drive
12 SUNY closer to privates and erode the
13 essential mission. So that's the tension
14 that we'll be working with.

15 CHANCELLOR ZIMPHER: Assemblywoman
16 Glick, I so appreciate you're articulating
17 the tension. SUNY is, at its core, a public
18 institution. And I am proud to only have
19 served public institutions in my entire
20 career. SUNY is an incredible asset to the
21 State of New York because it's a
22 high-quality operation, it's affordable and
23 accessible. And I join you in maintaining
24 that commitment. Thank you.

1 CHAIRMAN KRUGER: Thank you,
2 Assemblywoman Glick.

3 I'm going to slide myself into this
4 repertoire for a moment. Tonight, the State
5 of the Union message, we're going to need
6 something more than a smile and a speech to
7 get us through these tough times. And I had
8 for you a couple of questions -- maybe
9 they're not all answerable at the moment,
10 but I think it's something that we should
11 take back as our collective homework
12 assignment.

13 During the Deficit Reduction Plan, we
14 rattled a tin cup -- in fact, we squashed a
15 cup in trying to find dollars to close the
16 gap and to make this year's fiscal budget
17 work. And although many disagreed with the
18 methodologies and the mechanisms that we
19 used, at the end of the day we did close the
20 gap.

21 We never had opportunity to address the
22 dollars that are sitting in the research
23 foundations at the State University. They
24 seem to be elusive, and nobody really ever

1 has a real handle on how much money are
2 sitting in those pots of money and how they
3 can be used. Can you tell me how much money
4 is sitting in the research foundations?

5 CHANCELLOR ZIMPHER: Senator, if you
6 wanted a figure at the very moment, without
7 my looking it up, I think the answer would
8 be no.

9 But I think your question in general is
10 to demystify, to the extent it has been
11 mystified, the nature and purpose of the
12 Research Foundation. And I have to tell you
13 that this is a very high priority of mine.
14 I am currently newly the chairperson of the
15 board of the Research Foundation. I took
16 that position because I needed to make an
17 immediate transition from interim
18 leadership, but I intend to foster a review
19 of the governance structure of the Research
20 Foundation, which includes its operation and
21 its management. Largely because of the
22 sense of what goes on there, what are we
23 doing there, why is it different from.

24 But I can tell you it is no different

1 from the very esteemed Research Foundation
2 of the University of Wisconsin, where I
3 served for five years, a remarkable
4 organization that fed research for arguably
5 one of the leading research universities in
6 the country.

7 So I believe that essentially the funds
8 are those funds earned and generated by our
9 researchers from largely federal funding
10 agencies, like NIH and NSF, which are then
11 distributed for the use of the campuses
12 because they're contracted with the federal
13 government. So I think there's less
14 mystification than there should be. I know
15 there's a history. I know there are some
16 stories that just won't die.

17 But I want to tell you, Senator, I will
18 be a partner with you in unpacking whatever
19 remaining questions there are.

20 CHAIRMAN KRUGER: That's all we can
21 ask. Because at the end of the day, it's
22 those kinds of dollars that may make this
23 equation ultimately work.

24 CHANCELLOR ZIMPHER: Exactly.

1 CHAIRMAN KRUGER: When we look at the
2 State University hospitals and the medical
3 schools, the fact that there are practice
4 plans in those institutions and those
5 doctors are getting paid both from the
6 University as well as from their practice
7 plan, and also from their private practices
8 and the research that goes on within those
9 medical schools -- at the end of the day,
10 Chancellor, you came to us not only with
11 sterling credentials but a sterling
12 reputation of no nonsense and the
13 willingness and the desire to make this
14 system one of the finest in the country. We
15 applaud you for that. We want to cooperate
16 with you in doing it.

17 But at the same time, when we listen to
18 the Governor's budget plan that calls for
19 the privatization of the SUNY system, you
20 know, it raises serious concerns. I know it
21 does to you, and I know it does to us as
22 well.

23 So as we go forward with these hearings
24 and as we go forward with the entire

1 tortured process of trying to put this
2 budget together, understand that even among
3 families there are arguments and even among
4 families there are disagreements. But at
5 the end of the day, it's our shared belief
6 that the State University system with can
7 reach new heights with your leadership and
8 with our collective goodwill.

9 CHANCELLOR ZIMPHER: Thank you,
10 Senator. I want to say, having had a lot of
11 national engagement in public higher
12 education -- and private higher education,
13 for that matter, because I work with a lot
14 of presidents of private institutions -- I'm
15 being invited to a one-day conversation of
16 only 25 university presidents in the
17 country. And I was interviewed yesterday to
18 lead up to that conversation about the
19 privatization of public higher education. I
20 don't really like that term. I don't really
21 believe that education is solely a private
22 good. I believe it is a public good and
23 that we do nation-building through public
24 education.

1 But I believe that universities have to
2 do their part to help the condition which
3 has prohibited so many states from investing
4 in public higher education the way they
5 ought to. So I will defy the slippery slope
6 of privatization -- don't like the term,
7 won't use the term -- but I will say to you
8 our strategic plan of economic
9 revitalization and your implementation of
10 empowerment are a way to keep us standing as
11 a big public good and a big public entity.
12 And we don't want to drop to a mere 7 or
13 8 percent of public support, because it's
14 really not a publicly supported endeavor in
15 that regard. But we have to help each
16 other. That is my commitment.

17 CHAIRMAN KRUGER: Thank you very
18 much.

19 Senator Foley?

20 CHAIRMAN FARRELL: Before we go
21 there, we've been joined by Assemblywoman
22 Earlene Hooper, deputy speaker.

23 CHAIRMAN KRUGER: Senator Foley.

24 SENATOR FOLEY: Thank you,

1 Mr. Chairman.

2 And, Chancellor, I want to thank you as
3 well for your leadership and your enthusiasm
4 that you've brought to your position. We've
5 met several times on Long Island, along with
6 Chairwoman Stavisky from the Higher
7 Education Committee, and we've had some very
8 good discussions about the future of higher
9 education in that region of the state.

10 And sure, there are many things that we
11 can discuss today, and obviously all this
12 will require much more follow-up, but I want
13 to just focus on a few areas: Tuition, TAP,
14 land use at the campuses, capital
15 construction, a little discussion of
16 community colleges. And also I like the
17 fact that there is an increase in resources
18 for campuses to become more
19 veteran-friendly, as veteran-friendly
20 campuses are something that we'll strive to
21 see happen.

22 But on the tuition front, you've been
23 hearing a lot of concerns from a number of
24 electeds here. And one of the areas I just

1 want to make a comment on, whether you want
2 to discuss it now or even just think about
3 it, is the issue of differential tuition.

4 One of the concerns that has been
5 brought to my attention, and I've thought
6 about it for quite some time as well, is if
7 you have different tuition rates for
8 different programs, will we then have
9 students making decisions, some students
10 make decisions upon the affordability of the
11 program if there's a different tuition rate.

12 So I just want to leave that with you.
13 I think it's an important portion of what
14 this state is about. Given that our state
15 is one of the most diverse in this country,
16 affordability is key for so many to, let's
17 say, fully realize the dream of our country.
18 And many find it very difficult financially
19 to move forward if in fact these tuition
20 rates increase to the point that some will
21 be shut out of the program that they wish to
22 be part of. So I want to just leave that
23 with you.

24 With TAP funding, when you mentioned in

1 your comments about TAP funding that a
2 portion of tuition revenues would flow to
3 the TAP program in order to increase access
4 for low- and middle-income students, what we
5 need to have is a definition of
6 "middle-income." Because what
7 "middle-income" is in some regions of the
8 state may not work in other regions.

9 And in high-cost areas of this state,
10 particularly on Long Island, one of the
11 concerns that I would have is that even if
12 some of the tuition flows to, let's say,
13 filling the coffers of the TAP program, will
14 it still, let's say, shut out some families
15 who may be above that so-called
16 middle-income level but who are still having
17 a difficult time to make ends meet.

18 There are portions of this state that
19 are high-cost areas of the state, we've got
20 both parents working, and they may not fit
21 the classic title of middle-income -- and
22 yet if there are these large increases in
23 tuition over a period of time and TAP will
24 not, let's say, reach that particular higher

1 middle-income level, I have concerns about
2 that. So we have to look at what we mean by
3 middle-income and what that definition is.

4 Prior to being a State Senator, I was a
5 supervisor for Brookhaven Town. Land use is
6 a big part of what town government is about.
7 And when we speak about greater autonomy for
8 our universities and the like, and taking
9 some of that authority away from the
10 legislative branch, you know, I have some
11 real concerns about what would be realized
12 by having that greater autonomy. The land
13 use, what kind of activities would occur on
14 those particular properties?

15 One of the things I've seen over a
16 period of years, just to give you an example
17 in our parks system, over the years there
18 were efforts to commercialize some of our
19 parks as far as advertising and the like.
20 One of the real concerns I would have -- and
21 as much as we want to see a more robust
22 public/private partnership, one of the real
23 concerns I have is that we have to be very
24 wary of commercializing our campuses. And I

1 would daresay that no doubt there are other
2 parts of the country where they have this
3 greater autonomy among campuses and the
4 like, and less oversight by their
5 legislative counterparts, that
6 commercialization has happened.

7 And I would strongly suggest that there
8 cannot just be a tangential connection
9 between land use on these campuses, but
10 there needs to be a direct connection
11 between the mission of the college, the
12 mission of the campus, and the kinds of
13 developments that would occur on the campus.
14 I just want to put that out there as well.

15 As far as the capital construction
16 funds, I wanted to just ask this question of
17 you for an answer. The Governor's proposal
18 proposes to remove the SUNY University
19 Construction Fund from the budget process.
20 Could you give us your thoughts about that?
21 By removing the SUNY Construction Fund from
22 the budgetary process, how is that
23 beneficial to SUNY and why do you see it as
24 a better alternative than the current

1 practice where there is, again, far more
2 robust legislative involvement and oversight
3 as it relates to the appropriation of funds
4 for construction projects throughout the
5 SUNY system?

6 CHANCELLOR ZIMPHER: Senator Foley,
7 that was a very comprehensive question. And
8 it speaks to the comprehensive nature of the
9 Empowerment and Innovation Act.

10 And I do agree that that act puts on
11 the table in one package a number of
12 different issues that would represent a
13 change, an historic change in the way we do
14 business -- with the critical connector
15 being the accountability and transparency
16 with which we do our business.

17 So in some respects we are trading who
18 plays what role with a much improved system
19 of accountability and transparency putting
20 us together. So I just want everybody to
21 keep in mind that in articulating that
22 Empowerment and Innovation Act, there are
23 checks and balances all the way through it.

24 So let us start with tuition and

1 differential tuition. It sort of is
2 presented as if the way we've been doing it
3 is okay and the way SUNY would do it might
4 not be so. And yet when we were on our
5 little press conference after the Governor's
6 announcement of the Empowerment and
7 Innovation Act for SUNY and CUNY, it was
8 said that in fact we've been doing tuition
9 policy perfectly wrong -- perfectly wrong.
10 We raise tuition during the toughest of
11 times. We do not raise tuition when we seem
12 to have a better funds flow. That's not
13 predictable, that's not equitable, and it's
14 really not responsible.

15 And secondarily, we do something in
16 New York that I have to say, even though
17 I've only lived in two other states, is most
18 remarkable. We don't return the tuition to
19 the institutions where the students have
20 paid the tuition and need to be served by
21 the tuition.

22 And those things need to be corrected.
23 There are a lot of different ways to correct
24 them, but I believe we've given a host of

1 checks and balances to ensure that we are
2 responsible, fair, and equitable.

3 Furthermore, I cannot tell you the
4 commitment of SUNY to access. Not just, as
5 you say, access as typically defined as
6 low-income students who meet the Pell Grant
7 description or the TAP description, but
8 middle-income families that are struggling
9 as well.

10 So we have, as a very high priority,
11 need-based tuition support beyond what we do
12 to feed the TAP. You and I know we're going
13 to have to do this through fundraising and
14 friend raising, because we don't have a pot
15 of money to do that. But we are committed,
16 and we will share data with you about
17 precisely the condition of our middle-income
18 students.

19 So I think it's a fair question, but I
20 know we're going, per summary, over the
21 shift in who's presenting these policies,
22 but the connector for us is accountability
23 and transparency. And in that respect, this
24 is the new SUNY. I hope you hear that

1 today, perhaps if nothing else.

2 Land lease. There are so many examples
3 of where I believe our partnerships with the
4 private sector are obvious. We mentioned
5 one today in nanoscale science and
6 engineering. Then there are private
7 initiatives that we could invite to use our
8 land who might be wholly inappropriate. I
9 think you called them the commercialization
10 of our land. It doesn't connect with our
11 mission, and it makes no sense to have them
12 on state property.

13 The middle ground is things that on
14 first blush might not look as obvious to our
15 mission as I think they are. And the one
16 example you've had experience dealing with
17 is senior residence facilities on our
18 campuses. This is becoming increasingly
19 common amongst higher education institutions
20 across the country. I don't know how you
21 feel about this, but there are a lot of
22 retirees in America who want to live near a
23 campus, they want to take courses, they want
24 to go to performing arts. They support with

1 their funds the continuation of our cultural
2 outreach. They add dimensionality to the
3 mind of an 18-year-old when you've got a
4 very seasoned 60-year-old sitting in the
5 class. We want these people on our campus,
6 and we think we have a financially
7 lucrative, revenue-generating way to serve
8 them.

9 So I only ask that we really probe the
10 proposals and we make sure it's not
11 commercialization but mission-driven. And I
12 really appreciate that question.

13 I think -- and Monica can correct me --
14 the Construction Fund move is to protect it
15 from the vagaries of settling the operating
16 budget on the backs of a wonderful five-year
17 planning process for construction. In fact,
18 I have said so many times the reason our
19 construction fund works so well is because
20 it's on a five-year planning cycle. Our
21 operating budget seems to be on a 24/7
22 planning cycle. It changes regularly. You
23 can't plan that way.

24 So I think it really is about

1 protecting the Construction Fund from those
2 vagaries. Correct me if I'm wrong.

3 VICE CHANCELLOR RIMAI: I think
4 that's true. I would note that the
5 Construction Fund does operate with a
6 greater level of sort of autonomy, if you
7 will, than the operating side.

8 The added benefit of having a single
9 system for funding these two, both operating
10 and the capital side of the house, is that
11 we're going to get more efficiencies out of
12 this. We can share personnel who manage
13 both kinds of budgets. And that would
14 frankly enable us to reduce the number of
15 positions that we have by not having to
16 replicate the system. So I think there's
17 efficiencies to be gained by having a single
18 process.

19 I do want to go back and just mention
20 one thing. Whether we're talking about land
21 use or public/private partnerships, this is
22 not a bill designed to eliminate oversight.
23 And in fact, it makes it very clear that
24 there is the creation of a board wherein the

1 Legislature would have representation that
2 would approve these projects to make sure,
3 for example, on the land use side that the
4 proposed project is consistent with our
5 mission. So I do think that's a critically
6 important difference.

7 I couldn't agree with you more that
8 with regard to comprehensive tuition policy,
9 where we start creating that policy is with
10 a whole bunch of definitions, starting with
11 what is need-based, various levels of
12 income, and how those fit into the picture.
13 So I would imagine a series of guidelines
14 that start with a glossary and that we would
15 get lots of good feedback and use national
16 standards for defining a lot of these.

17 And finally, with regard to the great
18 concern about differential tuition, there's
19 two important points here I think we need to
20 make. The first is that everyone is
21 assuming that we're going to use
22 differential to increase tuition. And
23 there's a real possibility that by
24 integrating what we're calling the rational

1 or across-the-board increases with decisions
2 based upon cost and reinvestment, in some
3 areas we could actually decrease tuition.

4 What integrating a differential option
5 with an across-the-board option really
6 allows us to do is to spread tuition across
7 programs, mindful of things like access,
8 workforce development, all the issues around
9 affordability, segregating portions of the
10 revenue to help fund TAP -- all of these
11 things come together to really allow us to
12 take a hard, comprehensive look at how we
13 set tuition.

14 And not just year over year. I think a
15 question was asked about how do we address
16 family concerns about how they're going to
17 pay for education. And a really good way to
18 do that is to develop policy that spans more
19 than one year. Can you imagine if we had a
20 five-year tuition policy that would allow
21 families to be very planful? One of the
22 other phenomena about this state is in
23 addition to our policy being perfectly wrong
24 in terms of timing of when those increases

1 come, those increases are really lumpy. In
2 other words, in one year we'll have those
3 astronomical increases, and then the next
4 year tuition is flat. And that makes it
5 very, very difficult for students and their
6 families to engage in meaningful, long-term
7 financial planning.

8 And I think that what this bill does is
9 allow us to address that issue in a very
10 comprehensive way.

11 SENATOR FOLEY: Thank you. Thank
12 you, Mr. Chairman.

13 CHANCELLOR ZIMPHER: Thank you,
14 Senator.

15 CHAIRMAN KRUGER: Thank you, Senator
16 Foley.

17 CHAIRMAN FARRELL: Assemblyman Hayes.

18 ASSEMBLYMAN HAYES: Thank you,
19 Mr. Chairman.

20 And, Chancellor, thank you for your
21 testimony. Good morning.

22 I have the privilege of representing
23 the North Campus of the University of
24 Buffalo, in Amherst. And as you know, there

1 is widespread support in both the education
2 community, the business community, the
3 community in general for the UB 2020 plan.

4 The concern that I think many in
5 Western New York have had over the years is
6 the seeming disconnect between the excellent
7 higher education opportunities at SUNY and
8 then, once we've invested all of this money
9 and time in our young students and in our
10 graduates, they all too often, after even
11 coming to the Buffalo or the SUNY system
12 from around the state, wind up without a job
13 opportunity. And so we've invested in our
14 most precious resource and then turn around
15 and watch them be exported to other places
16 in the country where there are more job
17 opportunities.

18 Can you tell me a little bit more about
19 how you see this flexibility, this new
20 ability to work with the private sector as
21 it would relate specifically to graduates
22 from SUNY in places like SUNY Buffalo, and
23 finding jobs in the local community?

24 CHANCELLOR ZIMPHER: Well, first of

1 all, Assemblyman Hayes, I want to compliment
2 the Western New York contingent. Your
3 advocacy is persistent and obvious, and I
4 have been a principal of that advocacy at
5 many trips to Buffalo. So thank you for
6 that. That's the kind of advocacy SUNY
7 needs, and I appreciate it.

8 That said, I think you've really given
9 the rationale for this Empowerment and
10 Innovation Act, because it is all about job
11 creation. And we cannot retain our
12 graduates if we don't have jobs for them,
13 jobs that are in current demand and jobs
14 we've never even thought of yet that are yet
15 to be invented.

16 And the power of our public/private
17 partnerships is to attract more businesses
18 to the state with the promise that we can
19 fill their employment needs. Global
20 Foundries is a perfect example. So is
21 Nanoscale. Nanoscale is here and in high
22 need of clean lab technicians; Hudson Valley
23 Community College is providing them. And
24 the same will be true with the medical

1 growth in downtown Buffalo and serving
2 Western New York. This will create jobs.
3 The universities of Buffalo and Buff State
4 and Erie and Niagara will feed those jobs.

5 And whereas the city guru Richard
6 Florida wrote a book about the creative
7 class choosing to live first by place and
8 then by job, I think that's changed. I
9 don't think people are going to place
10 without jobs.

11 And let me say one more thing, because
12 I hope you know that this kind of
13 partnership with private industry is -- and
14 of course our research and the
15 commercialization of our technologies, often
16 called tech transfer, is a way that we
17 translate research into jobs. That's what
18 we do best. And we do it not only at our
19 research centers and medical schools, but I
20 think there's a contribution made by our
21 comprehensive colleges, technical schools
22 and community colleges.

23 So by having our strategic plan sort of
24 rivetted upon all of this, we're going to

1 make that job creation quotient -- we said
2 at least 10,000 jobs over the next five
3 years -- we're going to make that a reality.

4 I bring one more example to the State
5 of New York which I personally am very
6 passionate about. It's typically called
7 cooperative education. And what it means is
8 that while a student is still in college, he
9 or she has real live work-integrated
10 experience at local companies within the
11 state. Students are paid, so that means our
12 local companies have to put up a little
13 chump change. These companies learn to
14 identify and help make the talented
15 graduates that we call our own.

16 And here's the experience from Ohio:
17 90 percent of the students who have a co-op
18 experience get a job offer from that
19 company. Ninety percent of them take the
20 job to stay and live and work in that state.
21 Ohio was so committed to co-op that before
22 the crash, if you will, it had committed
23 \$50 million a year to creating 100,000 more
24 co-op placements.

1 I'm telling you, the relationship
2 between the work of our graduates in our
3 local businesses and industries, where they
4 in turn offer these young people jobs, is
5 one of the ways to severely combat brain
6 drain.

7 And every state is worried about it. I
8 think we can implement some very creative
9 solutions. Because they're not going to
10 just stay because we wish they would; we
11 have to have policies and practices in place
12 to attract and retain.

13 ASSEMBLYMAN HAYES: Thank you very
14 much. I appreciate your answer.

15 CHANCELLOR ZIMPHER: It's a good
16 question. Thank you.

17 CHAIRMAN FARRELL: Thank you.
18 Senator.

19 CHAIRMAN KRUGER: Yes, we're joined
20 by Senator Velmanette Montgomery.

21 Senator Krueger.

22 SENATOR KRUEGER: Thank you,
23 Chancellor. I'm still trying to get my arms
24 around this differential tuition, in program

1 and campus. And I'm not making a judgment.
2 I'm trying to understand this. So you might
3 have different tuition within different
4 programs within colleges; you might have
5 different tuition at different campuses.

6 So what is the campus of the SUNY
7 system that has right now the least
8 competitive application rate? Just to use
9 an example. Where do you have the lowest
10 number of applicants per acceptance?

11 CHANCELLOR ZIMPHER: You know, I
12 don't know the answer to that. I do know
13 that, you know, the balance is over here,
14 35,000 applicants for 3500 seats. You know
15 that from Binghamton and some of our other
16 campuses. But I don't know the lowest
17 rejection rate. That's really what you're
18 asking.

19 Although I do know, of course, that our
20 community colleges and most of our
21 comprehensive colleges have wide access to
22 their programs.

23 SENATOR KRUEGER: Then I will use --
24 I'll call it Campus A, okay, has the

1 highest, the greatest number of applicants
2 trying to get in, and Campus Z, just to be
3 alphabetical, has the lowest. Is there a
4 correlation now between A and Z as to where
5 the poorest students going to SUNY are? Are
6 the poorest students proportionally going to
7 SUNY in fact going more likely to A or Z on
8 your range?

9 CHANCELLOR ZIMPHER: Do you mean
10 poorest, Senator, by financial income?

11 SENATOR KRUEGER: Yes. Not grades,
12 family income.

13 CHANCELLOR ZIMPHER: Well, I can only
14 cite one recent study. The State University
15 of New York has joined with about 20-plus
16 systems across the country to attract more
17 low-income students to their systems. This
18 is a project that's being funded by a number
19 of national foundations, and it precipitated
20 a report called *Institutions of Inequality*,
21 the claim being that our highest-profile
22 campuses -- those with both high academic
23 standards for admission and high rankings,
24 even though I think Assemblywoman Glick is

1 right, I'm not sure about these ranking
2 systems. But the point there was a big
3 brouhaha about how topnotch research
4 universities weren't serving low-income
5 students.

6 Monica and I come from a high-producing
7 research university that also had the
8 highest number of low-income students, so I
9 think we're personally committed to this.

10 The point being a year later, one of
11 the institutions -- in fact, the one that
12 had made the most growth in attracting
13 low-income students to a high-ranked and
14 high-admission- standards institution was
15 the State University of New York.

16 SENATOR KRUEGER: But again, I'm
17 asking a question within the context of the
18 internal of the State University, not State
19 University compared to privates around the
20 country.

21 CHANCELLOR ZIMPHER: Well, I think
22 the obvious answer is we have to give you
23 those data. But we're being recognized
24 nationally for doing it.

1 SENATOR KRUEGER: Good. But again,
2 so we have A, most competitive now; Z, least
3 competitive within the SUNY system. We have
4 some A and some Z, greatest number of poor
5 students to least number of poor students.

6 CHANCELLOR ZIMPHER: Right. Right.

7 SENATOR KRUEGER: Under a
8 differential tuition situation -- and you
9 also stated earlier that you believe that
10 campuses should be able to keep the tuition
11 they earn at their campuses.

12 CHANCELLOR ZIMPHER: Right.

13 SENATOR KRUEGER: Under differential
14 tuition is it not conceivable that (A) the
15 schools currently who have the least
16 competitive edge within the system and
17 perhaps the most poor students would
18 actually end up in a much worse situation
19 compared to the A's in your system? So
20 that's Question A. And what will we do
21 about that?

22 And Question B, would you in fact make
23 a decision to close campuses because of the
24 outcome of the reality?

1 CHANCELLOR ZIMPHER: Well, you know
2 what your questions suggest to me, Senator,
3 is that we've been making tuition policy
4 forever, for the 60-year history of SUNY,
5 without these data, without knowing whether
6 we have -- even though tuition has been the
7 same, we don't tell you on a regular basis
8 where the low-income and the high-income
9 students are being served.

10 And I think what we're suggesting to
11 you is anything -- any abuse is conceivable.
12 But our commitment to access, along with our
13 quality commitment, would suggest that we
14 don't want to see a pattern where low income
15 prohibits access to high-performing schools.

16 And I can also tell you in the most
17 open-admissions environments of our
18 community colleges, technical colleges and
19 some of our comprehensive colleges, I have
20 met the most remarkable, outstanding
21 academic students that I could have
22 imagined.

23 So let's let the data be our driver
24 going forward. Because we don't make many

1 data-driven decisions.

2 SENATOR KRUEGER: I don't disagree
3 with you. That's why I'm asking these
4 questions. I think we need to understand
5 what the data shows and also what the
6 ramifications of policy decisions could be.

7 For the record, my husband is a CUNY
8 professor, so it's not SUNY, but he also, if
9 he was here, would say he teaches some of
10 the brightest young students, right, in the
11 country in the CUNY system, who are by
12 definition disproportionately low-income.

13 So no disagreement, our job is to make
14 sure our public universities are there to
15 serve everyone, and particularly to be a
16 hand up for lowest-income New Yorkers.

17 So again, I don't have an opinion yet
18 on your proposal, but I am very concerned
19 and would like follow-up data about what
20 some of the analysis could lead us to if
21 SUNY moved forward with the proposal as it's
22 laid out.

23 Thank you very much. Thank you,
24 Mr. Chair.

1 CHANCELLOR ZIMPHER: Senator, thank
2 you for your questions.

3 And I only want to reiterate that part
4 of the reset button here is a data-driven
5 enterprise. I have a lot of experience with
6 data dashboards, report cards. You can
7 check my record. We had a report card at
8 UC. We disaggregated data all the time to
9 see who was adversely affected by any of our
10 policies. I have a great track record of
11 working on data systems with K-12, and I'm a
12 part of the State of New York data system.
13 Evidence and data are going to be our
14 friend, and I think that's a new day for all
15 of us.

16 SENATOR KRUEGER: Thank you.

17 CHAIRMAN KRUGER: Thank you, Senator
18 Krueger.

19 Assemblyman Farrell?

20 CHAIRMAN FARRELL: Assemblywoman
21 Lupardo.

22 ASSEMBLYWOMAN LUPARDO: I just wanted
23 to tell you that representing Binghamton
24 University in the Assembly has certainly

1 been really one of the highlights of my
2 professional career. So I want you to thank
3 you for the enthusiasm and the energy that
4 you are putting into your work.

5 I just have one question regarding the
6 Empowerment and Innovation Act. I assume
7 that you view this as an integrated set of
8 proposals. As we move forward, I would find
9 it very helpful to know how you would
10 prioritize those or which of those you view
11 as most crucial in the overall plan.

12 CHANCELLOR ZIMPHER: Assemblywoman
13 Lupardo, I want to thank you and every one
14 of our legislators who have SUNY campuses in
15 your district. I was so compelled by the 54
16 legislators who showed up at our SUNY campus
17 tour this summer and pledged their
18 commitment, their ongoing commitment to
19 those campuses. And I'm very pleased that
20 you have found this a prideful experience.

21 We see the Empowerment and Innovation
22 Act as highly interconnected. If we were to
23 parse it out, it would put way too much
24 strain and pressure on land lease without

1 the benefit of public/private partnerships
2 and without the benefit of tuition policy.
3 So without being obdurate, you're going to
4 have a tough time getting us to pull this
5 apart, because we see it as an integrated
6 and interrelated package.

7 ASSEMBLYWOMAN LUPARDO: Thank you.

8 CHAIRMAN KRUGER: Senator
9 DeFrancisco.

10 SENATOR DeFRANCISCO: Thank you.

11 With all the positive things said about
12 the Public Higher Education Empowerment and
13 Innovation Act, my question is, this being
14 so good, who is against it and why?

15 CHANCELLOR ZIMPHER: Well, Senator,
16 that's a wonderful way to frame a question.

17 SENATOR DeFRANCISCO: Well, the
18 answer would be good too.

19 (Laughter.)

20 CHANCELLOR ZIMPHER: Well, I'm
21 thinking about it.

22 I think against it is a pattern of
23 leadership and decision-making that has been
24 done the same way for a long period of time.

1 In fact, attending the 60th anniversary of
2 SUNY in April, before I was even on the job,
3 I heard this sort of painful history of
4 SUNY's management and oversight that in many
5 people's opinion has kept us from really
6 being the massive, comprehensive, wonderful
7 state university system that we could be.

8 So I think enemy number one is change.
9 It's very difficult.

10 SENATOR DeFRANCISCO: Could you be
11 more specific? I mean, are there groups
12 against it and are there reasons that you've
13 heard that you know you're going to have to
14 overcome through your advocacy?

15 CHANCELLOR ZIMPHER: So you're not
16 going to let me just stop with people have a
17 hard time making change.

18 SENATOR DeFRANCISCO: No. No. No,
19 I've heard that enough so far.

20 CHANCELLOR ZIMPHER: Okay. I'll go
21 one step further and say that we have been
22 very busy over the last week talking to
23 media outlets, talking to legislators like
24 yourselves, talking to community leaders. I

1 am engaged in a series of very important
2 discussions with our union representatives
3 because in the past we've had a difference
4 of opinion on some of these issues.

5 So I think the early returns would
6 suggest that while this is a new idea and
7 change is hard, local communities are seeing
8 this as in their best interest. And that
9 was our intent.

10 So I think you're going to hear from
11 our students, I think you're going to hear
12 from our faculty. I hope that we can have
13 very productive discussions with our union
14 representatives. We're making a huge
15 commitment to elementary and secondary
16 education, unheard-of in SUNY's history,
17 that we would commit ourselves to the
18 success of our early elementary and
19 secondary education colleagues. I think
20 you're going to hear from them in a positive
21 way.

22 Our business leaders, I'm talking to
23 them, I think they're going to be talking to
24 you.

1 But you're ultimately the
2 decision-makers, and you have to reflect
3 their enthusiasm. So I think the verdict is
4 out, but I'm very optimistic that it's going
5 to be positive.

6 SENATOR DeFRANCISCO: All right, I'll
7 wait to hear from those who are opposed and
8 the reasons why. But I appreciate that
9 answer.

10 Just one other area. What always has
11 bothered me, and I have ESF in our district,
12 and a community college. And what's always
13 bothered me is the ever-increasing number of
14 adjuncts as opposed to full-time teachers.

15 Now, there's no magic pot of money
16 that's coming from the sky that's going to
17 make it easier to hire more full-time
18 faculty. But the thing that I just can't
19 understand for the life of me is why we
20 don't do more distant learning. I mean,
21 with the technology that's going on right
22 now, there's no reason that the best
23 chemistry professor at one university can't
24 provide courses that are available to

1 anybody at any university and people can --
2 at least the core courses. And if there's a
3 specialized area that one community college
4 or one four-year college has, they can --
5 people can go to that school for that
6 specialty.

7 But it seems to me that there's got to
8 be a better way to save money by using the
9 technology available today. What is your
10 assessment of that technology now, where is
11 it being done now, and what's on the drawing
12 board?

13 CHANCELLOR ZIMPHER: Well, first of
14 all, Senator, I want you to know that the
15 balance between full-time and part-time
16 faculty continues to be a great concern to
17 us. And the reason we got ourselves into
18 this position is we had the unpredictability
19 of budgets that kept us from hiring and
20 retaining full-time faculty.

21 SENATOR DeFRANCISCO: Agreed.

22 CHANCELLOR ZIMPHER: We do think that
23 the Empowerment and Innovation Act can go a
24 long way to solve that. Because you've also

1 asked questions about temporary employees
2 and part-time employees, so I wanted to say
3 that.

4 Secondly, I think there is great
5 promise in distance learning. And I have
6 every reason to believe that the student
7 learning network at SUNY and particularly
8 the work of institutions like Empire State
9 College are really on the leading edge of
10 technology.

11 But just in the last few days, I have
12 been contacted by a foundation to run an
13 experiment. One of the private universities
14 in a city near us developed an airtight
15 online course for statistics. It took them
16 a million-plus dollars to do it, but they
17 believe they've developed it in such a way
18 that it does not require the kind of high
19 maintenance that a lot of online courses
20 require. People think it's a savings but in
21 fact you have 24-hour contact with your
22 students. It's an email, now Facebook, now
23 Twitter enterprise. And it's costly.

24 So what this technology wants to do

1 with us and another major system in the
2 country is pilot whether greater investment
3 in fewer courses online will really create
4 the economy we're all chasing. And I'm wide
5 open to that opportunity.

6 SENATOR DeFRANCISCO: Chancellor,
7 that's not what I'm talking about. I know
8 there's packages that can be purchased.

9 I'm talking about with existing
10 faculty, there's got to be some existing
11 faculty at every campus that has come to the
12 attention of SUNY Central that are
13 exceptional faculty members. And if that's
14 the case, why not provide that experience to
15 people that are not physically sitting at
16 that campus? Especially when I'm hearing
17 more and more that it's more difficult to
18 get into certain courses at certain of the
19 SUNY schools and you've got to wait an extra
20 semester or whatever to wait till you get a
21 chance to do that. It just seems like it's
22 so logical.

23 And so my question was not that it
24 holds great promise or not what you're

1 looking into five days ago. What is the
2 status now? And what do you have
3 contemplated for exploring this in the
4 future?

5 CHANCELLOR ZIMPHER: Well, I
6 appreciate the question, Senator, and was
7 trying to answer it by saying that we are
8 going to build on and expand on the
9 successes we've had.

10 Do I know in front of you today exactly
11 what percentage of our courses are online?
12 I don't. But you know I can provide that.

13 But I want to say to you we have a
14 working group already established on these
15 kinds of innovative instructional
16 opportunities. We're going to build on it.
17 I agree with you, the best of the best ought
18 to be accessible to a wider audience. We're
19 talking a lot about what curriculum we've
20 put online as well to make it available to a
21 broader audience.

22 I believe SUNY is rolling into the
23 21st-century technology with gusto, and I
24 would be glad to report on our progress.

1 But we have a full complement of distance
2 learning courses. Of course we can do more.

3 SENATOR DeFRANCISCO: Can you give me
4 an example of one, of one professor, an
5 exceptional professor that's now online that
6 can be accessible to other schools?

7 CHANCELLOR ZIMPHER: I will. I can't
8 at the moment. But I can tell you there are
9 great programs that have multiple faculty
10 members involved.

11 But if your point is we need to broaden
12 the access of our students to these highly
13 qualified, superperforming and
14 media-friendly professors, I agree with you
15 totally.

16 SENATOR DeFRANCISCO: Okay. So
17 you'll get me some information as to what
18 the status is?

19 CHANCELLOR ZIMPHER: I will.

20 SENATOR DeFRANCISCO: I'd appreciate
21 it, because I ask this every year and it's
22 always something that's got great promise in
23 the future and --

24 CHANCELLOR ZIMPHER: I didn't know

1 that. I would have been ready.

2 SENATOR DeFRANCISCO: You would have
3 been ready. You'll be ready next year.

4 CHANCELLOR ZIMPHER: I will.

5 SENATOR DeFRANCISCO: Okay, great.
6 Thank you very much.

7 CHAIRMAN KRUGER: Thank you, Senator.

8 CHAIRMAN FARRELL: Assemblyman
9 Englebright for a few brief words.

10 ASSEMBLYMAN ENGLEBRIGHT: Thank you,
11 Mr. Chairman.

12 Chancellor, I just want to thank you
13 for coming to visit Stony Brook so very
14 early after you came to New York. It was
15 gracious, and it was heartening. And it was
16 certainly the beginning of what I hope is a
17 continuing -- and what I believe, listening
18 to you, is going to be a continuing effort
19 on your part to reach out as no chancellor
20 previously has ever done to each of the
21 campuses.

22 I've got a question on land leases.
23 I've actually sponsored two land leases,
24 both as a result of offers of very generous

1 private contributions to the State
2 University at Stony Brook. One has resulted
3 in the Wang Center for Asian Studies. The
4 other, now under construction, is the Simons
5 Math Center. So I support the concept of
6 appropriate public/private partnerships.

7 I'm concerned in that the proposed
8 Asset Maximization Review Board you wrote
9 would essentially replace the Legislature's
10 role, or substitute for it, and that it
11 would have a simple majority vote, which is
12 the lowest possible bar.

13 But more to my concern is that it would
14 have a 45-day automatic approval provision.
15 I think that's correct. Please tell me if
16 I'm reading that incorrectly. And if I am
17 reading it correctly, isn't that likely to
18 result in more nondecisions down the road?
19 Would there not be a tendency for automatic
20 approvals through inaction?

21 And similarly, would there have to
22 be -- to convene a meeting of the board,
23 would that meeting have to be called by the
24 chair? And if the governor is one of the

1 appointees, I'm expecting that that might be
2 the chair. So I'm just wondering whether
3 the Executive might actually be able to
4 bring approvals by not having to convene or
5 by not convening. I wonder if you could
6 just give some insights on that.

7 CHANCELLOR ZIMPHER: Well,
8 Assemblyman, first of all let me say that I
9 had the great privilege of visiting Stony
10 Brook even before I was the chancellor, with
11 the announcement of President Sam Stanley,
12 who's doing a terrific job.

13 ASSEMBLYMAN ENGLEBRIGHT: Yes, he is.

14 CHANCELLOR ZIMPHER: And I have been
15 there multiple times since, and I'll be
16 there again on February 4th when we are
17 discussing SUNY's role in energy and
18 sustainability. So I look forward to seeing
19 you then.

20 This so-called State Maximization Asset
21 Board -- I wonder how we'll refer to it
22 months from now -- has the oversight
23 ability. You've suggested ways in which its
24 oversight could be compromised. I hope

1 that's not the case. That is not intended
2 to be the case. And I guess only time will
3 tell that we are operating aboveboard and
4 not making executive decisions without the
5 compelling advice of the board. Not our
6 intent.

7 I understand your cautions. And as we
8 dig deeper into the Empowerment Act, let's
9 talk about what those conditions would be.

10 We support the State Maximization Asset
11 board because we believe it's the kind of
12 oversight and transparency that's required
13 as we enter into more land-lease agreements.

14 ASSEMBLYMAN ENGLEBRIGHT: Thank you
15 very much.

16 CHAIRMAN FARRELL: Assemblyman Quinn.

17 ASSEMBLYMAN QUINN: Thank you,
18 Chancellor, for coming this morning. And
19 I'll try to make it quick; I know we
20 probably have more people with questions.

21 Talking about the differential tuition
22 concept, where do other states place on
23 this? We can't be the only state that does
24 this. How many states actually are allowed

1 to choose their own tuition rates within
2 their state for the colleges?

3 CHANCELLOR ZIMPHER: I think I made a
4 reference earlier to the constraints that
5 are pretty unique to us and three other
6 states. So most states engage in some form
7 of differential tuition. That has certainly
8 been my experience at all three institutions
9 I have served previously in Ohio and
10 Wisconsin.

11 ASSEMBLYMAN QUINN: As someone from
12 the Western New York area, with my colleague
13 Mr. Hayes, and as we've gone through the UB
14 2020 plan in the last year and a half, I
15 think we've kind of worked on this within
16 our delegation very much so, so we know kind
17 of the ins and outs of this probably better
18 than most people, actually.

19 For most of us living in upstate New
20 York or Western New York, wherever it may
21 be, we have seen a dynamic change in the
22 economy in that part of the state. Over the
23 last 40 or 50 years we've gone from a very
24 heavily dependent upon manufacturing type of

1 area. I myself represent Lackawanna, New
2 York, at one point the home of Bethlehem
3 Steel, who at one point dropped thousands of
4 jobs at one time. And that type of heavy
5 manufacturing type of mentality has gone
6 away. We just simply don't have that type
7 of plants anymore.

8 And for many cities in upstate New
9 York, I think that educational institutions,
10 whether it be a UB or Binghamton or a
11 smaller institution in upstate New York,
12 have replaced some of these manufacturing
13 plants as the true economic engine to that
14 area. And that's not just something that
15 happens in New York State, I think that has
16 happened nationwide, that educational
17 institutions have replaced what was at one
18 period of time either textile mills or
19 whatever they actually made in that area.

20 And with the change in the world
21 economy, in the global economy, we just
22 don't simply make as many things in this
23 country anymore, actually making physical
24 goods.

1 How do you think, in your mind, and how
2 does this plan play into allowing -- and I
3 guess it kind of dovetails with Mr. Hayes'
4 comments, but as we have this changing
5 economy how does differential tuition and
6 this plan as a whole allow us as a state,
7 and especially in upstate New York, to
8 better our economic climates?

9 CHANCELLOR ZIMPER: Well, first of
10 all, Assemblyman Quinn, I want to compliment
11 you and the Western delegation for your
12 persistence.

13 And I would agree with you, you
14 probably understand the economic value of
15 the Empowerment Act about as well as
16 anybody, and you have been champions of the
17 potential use of tuition flexibility and
18 differential tuition to grow particularly
19 the University of Buffalo's ability to serve
20 Western New York, to move its medical
21 facilities downtown, to create the kind of
22 science and industry and healthcare jobs
23 that will really revitalize Western New
24 York.

1 So I am confident, given everything
2 we've said about differential tuition, that
3 the University of Buffalo has convinced you
4 that it will be good stewards of tuition
5 policy and raise the revenues it needs to
6 help downtown Buffalo and the region.

7 So I think you and your sort of
8 personal testimony to the commitment of
9 these comprehensive research universities to
10 be cautious and fair and equitable about
11 differential tuition, but knowing what it's
12 going to crank into your economy, makes you
13 sort of the poster child for the Empowerment
14 Act. I don't want to put a lot more
15 pressure on you, Assemblyman, but this is
16 the story I think you're going to hear from
17 every region of this state.

18 ASSEMBLYMAN QUINN: Well, let me ask
19 us to go back to that for a second and to
20 compare the two of them, the way the system
21 works right now, as opposed to what we're
22 trying to do. Why is it better to do the
23 differential tuition? Why is it better to
24 put this program together?

1 I mean, we've talked at length today
2 about why this program is so good. But I
3 guess for those groups and people who are
4 saying don't do it, it's a bad idea, why is
5 this idea, though, better than what we have
6 now?

7 CHANCELLOR ZIMPHER: Well, I think it
8 grows a revenue stream. So does land use,
9 so do public/private partnerships, so does
10 the reduction in pre-audit procurement. It
11 grows revenue for the institution that at
12 this time the state can't possibly provide.
13 It cranks that revenue into job growth for
14 your community, which employs more people
15 who pay taxes who will build the revenues of
16 the State of New York.

17 It's a little bit like the joints
18 connected one to another. It's a ripple
19 effect. It's not going to be abused. It is
20 not going to be overused. But it is a
21 revenue stream we currently do not have
22 which allows us to invest in public/private
23 partnerships and land lease arrangements
24 which will generate jobs of highly skilled

1 workers who pay taxes into the state's
2 revenue.

3 It's a long story, but it begins with
4 the ability to differentiate tuition very
5 selectively and very carefully. In the end,
6 it will result in revenues for the state:
7 College-educated students, graduates earn
8 twice what high school graduates do at the
9 get-go, and millions of dollars more over a
10 lifetime, and they're going to invest it in
11 Western New York.

12 ASSEMBLYMAN QUINN: One last
13 question. The chair of the Higher Education
14 Committee in the Assembly had mentioned
15 earlier the fact of comparing other schools
16 in this country, North Carolina and some
17 other ones, as opposed to SUNY schools, from
18 the perspective of what you actually pay to
19 go there. But we also talked, at the end of
20 our first statements, concerning the fact
21 that out-of-state tuition, in many of the
22 schools the out-of-state tuition is very
23 high.

24 And some of my colleagues have said --

1 no one here this morning -- but have said in
2 the past that one of the ways we could
3 actually kind of make up for the amount of
4 money that we've lost is to increase
5 out-of-state tuition for people who want to
6 go to SUNY schools. Do you think, as the
7 chancellor of SUNY, that we -- are we in a
8 position right now to do so?

9 CHANCELLOR ZIMPER: Well,
10 Assemblyman, I think we're addressing the
11 recommendation that we look at out-of-state
12 tuition very carefully and seriously.
13 That's why we asked the Rockefeller
14 Institute to take the DiNapoli study and to
15 build on it.

16 What we're going to find when this
17 report is officially presented is that for
18 each sector within the SUNY system there may
19 be room to grow competitively by market,
20 there may not. Monica's point, we do not
21 want to price ourselves out of the market.
22 I can tell you, at a previous institution
23 where I served, where we were allowed to
24 raise out-of-state tuition consecutively, we

1 eventually priced ourselves out of the
2 market. Enrollment is very
3 market-sensitive.

4 So I think what we're going to find
5 from the Rockefeller study is that some of
6 our sectors have some room to grow and
7 others are right on the margin with their
8 peers out of state. It is going to be a
9 very market-sensitive program, and that's
10 what we want to present to you.

11 ASSEMBLYMAN QUINN: Thank you.

12 CHANCELLOR ZIMPHER: Thank you.

13 CHAIRMAN FARRELL: Senator?

14 CHAIRMAN KRUGER: No further
15 questions.

16 CHAIRMAN FARRELL: Assemblyman
17 Miller.

18 ASSEMBLYMAN MILLER: Thank you.
19 Thank you. I have -- it's more of a
20 statement than a question, but having
21 listened to the testimony, I somehow feel
22 compelled.

23 And let me again by saying I have
24 always been a strong supporter of SUNY. I

1 honestly believe that what the SUNY
2 campuses, 60 some odd dispersed throughout
3 the state, concentrations of brain power and
4 physical facility that could have acted as
5 incubators for both new entrepreneurial
6 programs -- not just because of the
7 facility, but because the brainpower could
8 lend its support.

9 SUNY has been absolutely incredible.
10 And yet, ever since I arrived in Albany,
11 SUNY has been at the short end of the stick
12 in every budget. Starting with Governor
13 Pataki, funding for SUNY started falling off
14 precipitously. And how you survive and how
15 you maintain excellence has been absolutely
16 a great mystery to me, but you have. And
17 you are to be complimented for that.

18 But I have some problems. And I
19 listened to some of the things, and one of
20 the comments made was at some of our open
21 enrollment campuses I've seen some of the
22 brightest people. Those brightest people
23 would have been on those campuses whether
24 you had open enrollment or not. I'm a

1 graduate of City College, and we went
2 through open enrollment, and the quality of
3 the graduates declined. Just like the
4 quality of what came in went down, what went
5 out went down.

6 We talk about, you know, funding. You
7 said 47 or 48 percent of the students at our
8 community colleges receive remedial help;
9 17-some-odd percent in our regular colleges.
10 An absolute total failure of lower education
11 to prepare people. The college system takes
12 them on, and that's really been the problem.
13 The money goes to lower education. They
14 fail. Every year we give them more money.
15 They continue to fail. And SUNY takes on
16 the role of remediating. The real question
17 is why. If you're not qualified to go to
18 college, the lower education should take on
19 that responsibility.

20 And so the question is, you know, with
21 money, the more you spend, it doesn't seem
22 the more you get. But SUNY has been a
23 problem. SUNY doesn't get money. You said
24 something about \$490 million cut in the last

1 two years, you lost 500-some-odd employees.
2 You're talking about if we go through this
3 empowerment program, you could add 2200 more
4 faculty and grow jobs. It seems to me that
5 you could only do that if either the state
6 turns around or you raise tuition
7 precipitously. And neither one of those is
8 about to -- well, the state is not about to
9 turn around.

10 And raising tuition precipitously does
11 some strange things. It does not provide
12 for access to higher education, it creates a
13 double standard: Those who will show up and
14 get TAP walk out of school almost loan-free;
15 and those that, because the economics of the
16 family was greater, can walk out of school
17 with \$100,000 in loans.

18 Both students, when they walk out of
19 college, should be equal, equally capable of
20 applying for the job, equally capable of
21 getting the job, equally capable of
22 employment. But one has a \$100,000 loan and
23 the other doesn't. There's no equality
24 there, and that's a problem.

1 But I will tell you, the question was
2 who opposes this empowerment program. Moi.
3 I do. And I'm not alone. Frankly, this is
4 a state university system. It is owned by
5 the state and the people of the State of New
6 York. The question is, why is it our
7 campuses don't keep the money? Because the
8 campus doesn't own the school, the state
9 does. It's a state school. The state
10 contributes significantly for the upkeep of
11 the school, the funding, the balance sheet,
12 the accounting. It's a state entity.

13 I remember when the George Washington
14 Bridge bought Teterboro Airport. How
15 ludicrous. The people who were
16 administering the George Washington Bridge
17 did own it, but they spent money to buy
18 Teterboro Airport.

19 This is a state institution. It's part
20 of the state budget. And anything we do to
21 diminish that concept of this being a state
22 university system will in the long run
23 create problems.

24 I envision, if this happens, that the

1 state, which currently does not adequately
2 fund SUNY, will now have a scapegoat. After
3 all, the campuses can raise tuition. And
4 they already raised fees, but we don't talk
5 about that. The campuses can raise tuition,
6 the campuses can decide this, the campuses
7 can decide that. If we don't give them the
8 money, it's their fault. And I will see
9 that where we have failed to adequately fund
10 SUNY as a state system, now we have an
11 excuse to do even less funding. And that is
12 a danger.

13 And again, since it is a state
14 institution, I'm not about to turn the
15 ownership of each campus over to the
16 president that's in charge at that
17 particular time.

18 So I think that it's an extremely
19 slippery slope. And I think that in the
20 long run it's going to be more luck than
21 anything else that keeps it as a state
22 university. And the fact that we have
23 failed to do our job in tuition -- you talk
24 about there's no predictability in tuition.

1 Yeah, there's absolute predictability. When
2 the state is having fiscal problems, we
3 raise your tuition. Everyone knows that,
4 it's happened on a regular basis. It's
5 wrong, it's a hundred percent wrong, but it
6 was predictable.

7 (Laughter.)

8 ASSEMBLYMAN MILLER: And so, you
9 know, if we can do it wrong, we will.
10 That's predictable.

11 And so, you know, I think that
12 sometimes it's not a matter of saying, Well,
13 since you did it wrong, you can't ever do it
14 right, so let us do it. And then the "us"
15 is, how much control do we have over the
16 "us"? And as long as it's a state
17 university, it should be controlled by the
18 state as a whole.

19 Differential tuition is an interesting
20 thing. You just told Assemblyman Quinn
21 that, you know, the great thing about
22 differential tuition is that it was going to
23 increase jobs in Buffalo. Well, we've had a
24 significant increase in enrollment every

1 year, and the number of jobs in New York
2 State declined. Now, you and I know that
3 it's not because we had an increase in
4 enrollment; there are other factors. The
5 economy went down the tubes. And so there
6 are other things that factor into whether
7 there are going to be jobs or no jobs.

8 New York State makes it very clear that
9 if you're bright enough to be in business,
10 you should be bright enough to leave this
11 state. Because we will tax you until you
12 die, and it has nothing to do so with the
13 brilliance of the students we produce in
14 SUNY.

15 And so I would say that you have to
16 look for a different explanation for why
17 differential tuition is going to work. It's
18 not a guarantee that it's going to create
19 jobs. It's not a guarantee of anything
20 other than that campus will get more money.
21 And then you have the problem of the student
22 who doesn't have the money, they're going to
23 be forced to choose the campus that costs
24 the least.

1 And the question was raised about --

2 CHAIRMAN FARRELL: You got a

3 question?

4 ASSEMBLYMAN MILLER: Yeah, there will

5 be a question at the end. At the end of

6 this, "don't you agree?"

7 (Laughter.)

8 ASSEMBLYMAN MILLER: But I haven't

9 gotten there yet.

10 CHAIRMAN FARRELL: I can save you the

11 time and tell you I don't.

12 ASSEMBLYMAN MILLER: I will cut it

13 short because I have a plane to catch.

14 But again, you know, we can't fool each

15 other and we can't simply pass the

16 responsibility on to other people. It's our

17 responsibility. And if we fail, we should

18 fix it. But my greatest fear is that if we

19 give SUNY the power that this bill talks

20 about, that it will stop being a state

21 university system, the state will reduce its

22 funding, and it's going to be every campus

23 for itself.

24 And I don't want our campuses to turn

1 into the airlines where, when there's a
2 holiday, the fare goes up, when more people
3 want to fly, the fare goes up, and when more
4 people want to attend a campus, the fare
5 goes up.

6 The Constitution of the State of New
7 York says that education should be free. It
8 says that New York State will have a free
9 common system of education so all of the
10 children of New York may be educated. And
11 it doesn't stop at high school, it's
12 open-ended. It said free. And when I went
13 to college, it was free. And frankly, if it
14 wasn't free, I wouldn't be here today.

15 So I thank you for your efforts, but I
16 think that, you know, we have to revisit how
17 much the state is willing to give away so
18 we're no longer responsible and on the hook.
19 And, Denny, I thank you for allowing me to
20 go off like this, and I leave you to the
21 rest of the hearing.

22 CHAIRMAN FARRELL: I had no choice.

23 ASSEMBLYMAN MILLER: Isn't that true.

24 (Laughter.)

1 CHAIRMAN FARRELL: Next, Assemblyman
2 Cusick, to close.

3 ASSEMBLYMAN CUSICK: Well, thank you,
4 Mr. Chairman. And I want to thank you,
5 Mr. Chairman, for allowing me to follow
6 Dr. Miller.

7 I just want to welcome you, Chancellor,
8 and thank you for being here, and I look
9 forward to working with you in the future.
10 Many of my colleagues up here have SUNY
11 institutions in their district. I do not,
12 in Staten Island, but I have many students
13 in Staten Island who go to SUNY schools.
14 And my questions -- I have many questions,
15 but Mr. Chairman, I will keep it to one.

16 CHAIRMAN FARRELL: Thank you.

17 ASSEMBLYMAN CUSICK: You're welcome.

18 My questions were about costs to the
19 families and TAP and tuition. But one
20 specific one I'd like to ask that I think is
21 related to that is currently SUNY campuses
22 have different fees at different campuses.
23 And these fees that are for core things like
24 libraries and technology, with the new

1 tuition structure, will there be an
2 elimination to the fees?

3 CHANCELLOR ZIMPHER: I think --
4 Assemblyman, I appreciate the question. I
5 think there will be more oversight of the
6 fees and more availability of fee data. I
7 have heard several people say we don't talk
8 about the fees or we're not supposed to talk
9 about the fees. You know what? Let's talk
10 about the fees and present to you the full
11 representation of what those fees are for
12 and what they buy.

13 In a situation of limited funds, I
14 think that's been one way that we've tried
15 to carry on the services for our students,
16 particularly when tuition increases did not
17 come back to the institution to do what we
18 knew we needed to do for our students.

19 So I appreciate the inquiry. I think
20 we can unpack this for you, and we will.

21 VICE CHANCELLOR RIMAI: And I might
22 add that I had the --

23 ASSEMBLYMAN CUSICK: And I apologize,
24 I'm talking about also core fees --

1 libraries, technology. I'm not talking
2 about discretionary when it comes to parking
3 or things like that.

4 VICE CHANCELLOR RIMAI: Right. Or
5 what we call student life fees.

6 ASSEMBLYMAN CUSICK: Right.

7 VICE CHANCELLOR RIMAI: I just wanted
8 to say I had the privilege of meeting with a
9 number of the business officers for SUNY
10 institutions, and this very issue came up.
11 And what we all agreed on was that what
12 differential tuition gave us the opportunity
13 to do was to begin to start eliminating
14 those specific fees and to look at cost
15 structure in a much more comprehensive
16 fashion and make it very clear to our
17 students and their families what the bottom
18 line cost of attending a particular
19 institution will be, not just for the coming
20 year but in multiple-year increments.

21 CHANCELLOR ZIMPHER: Thank you.

22 ASSEMBLYMAN CUSICK: Thank you,
23 Mr. Chair.

24 CHAIRMAN FARRELL: Thank you.

1 CHAIRMAN KRUGER: Thank you very
2 much, Chancellor, for being with us this
3 morning -- and this afternoon as well.

4 CHANCELLOR ZIMPHER: Well, thank you
5 very much. I appreciate it. Thank you very
6 much.

7 CHAIRMAN KRUGER: The next
8 presentation is CUNY.

9 Good afternoon, everyone. Our next
10 presentation is by Dr. Matthew Goldstein,
11 chancellor of City University of New York.

12 CHANCELLOR GOLDSTEIN: Thank you,
13 Chairman Kruger, Vice Chairwoman Krueger,
14 who I see has left for a moment, Chairman
15 Farrell, Senator Stavisky, Assemblywoman
16 Glick, members of the Finance, Ways and
17 Means, and Higher Education Committees,
18 staff and guests. It's a pleasure for me to
19 be here this afternoon.

20 I will try to accelerate my public
21 statement so that there is sufficient time
22 for you to ask the questions --

23 CHAIRMAN KRUGER: God bless you.

24 CHANCELLOR GOLDSTEIN: -- and I'll go

1 through there as quickly as I can.

2 I come to you at a time with a
3 wonderful history at CUNY when we are
4 experiencing our highest enrollment to
5 date -- more than 260,000 degree-credit
6 students, including more high-achieving
7 students than ever before, are studying at
8 the City University of New York. And while
9 we know that economic hardships have driven
10 many New Yorkers to college to acquire new
11 skills and attain additional certification,
12 our decade-long growth is also a
13 manifestation of two ongoing factors.

14 First, the University continues to be
15 recognized for its academic quality and has
16 become a destination for students seeking an
17 exemplary education. Second, students are
18 coming to CUNY better prepared for
19 college-level work, and we're therefore
20 seeing better retention rates across the
21 University.

22 We take pride in the increased interest
23 in CUNY and the improved performance of our
24 students. However, our explosion in

1 enrollment -- an additional 65,000 students
2 since 1999 -- poses serious challenges. The
3 need for faculty and the demands on space
4 are also at unprecedented levels. With our
5 freshmen applications for fall 2010 also
6 showing a double-digit increase, we expect
7 these demands to grow even more urgent.

8 At the same time, the university's
9 commitment to quality is unwavering. The
10 Macaulay Honors College's Class of 2013 has
11 an average SAT score of around 1400. Our
12 recent Brooklyn Macaulay graduate, Ryan
13 Merola, was just named one of nine scholars
14 nationally to be a 2011 Mitchell Scholar.
15 And students across the CUNY campuses are
16 also winning competitive national awards.
17 Most recently, five CUNY students were
18 awarded National Science Foundation Graduate
19 Fellowships for 2009.

20 Hunter College was named the nation's
21 number two "Best Value Public College for
22 2010" by the Princeton Review and *USA Today*.
23 Queens College and Baruch College were named
24 to the Princeton Review's "Best Northeastern

1 Colleges" list. In November, Hunter College
2 Distinguished Lecturer Colum McCann won the
3 2009 National Book Award in fiction, the top
4 American prize for literature. And three
5 outstanding educators just joined the
6 University in 2009: Karen Gould, president
7 of Baruch College; Feliz Matos Rodriguez,
8 president of Hostos Community College; and
9 William Pollard, president of Medgar Evers
10 College.

11 We are also pleased to announce that
12 based on recent actions by the national
13 accrediting agency, we anticipate that the
14 new CUNY School of Public Health will soon
15 be fully accredited. It is the very first
16 public school of public health in New York
17 City and the only one in the country that
18 has a focus on urban health. Two prominent
19 scholars and medical doctors from Harvard
20 Medical School were recently recruited and
21 have accepted offers to the CUNY School of
22 Public Health, distinguished scientists
23 David Himmelstein and Steffie Woolhandler.
24 We look forward to them joining us.

1 These are only a few of the countless
2 ways that the entire University community is
3 working diligently to give students the best
4 educational experience possible. Just as
5 our citizens turn to public higher education
6 to help them prepare for an uncertain
7 future, so does the state depend on CUNY and
8 SUNY to build the workforce and innovation
9 capacity of New York. And I am delighted
10 that Chancellor Nancy Zimpher is installed
11 as the chancellor of the State University of
12 New York. From the very first day that she
13 arrived, she and I have had several
14 conversations, usually once or twice a week.
15 And I wish her well, and I know that she is
16 going to have a profound impact on the
17 future development of this great State
18 University system.

19 Let me talk briefly about the budget
20 that was presented by the Governor and give
21 you a couple of thoughts. And here's where
22 I will stray from my testimony -- you have
23 it for the record -- so that I can give you
24 my own particular sense of where I think

1 this budget is helpful and where I think it
2 is deeply harmful to the University.

3 On the budget recommendation, the
4 Executive Budget recommends a total of
5 \$1.8 billion in operating aid, this
6 reflecting a decrease of state support of
7 about \$84 million, offset by additional
8 funding of \$91 million for mandatory costs
9 and collective bargaining and \$11 million
10 from the FY 2010 tuition increase. The
11 \$11 million reflects an increase from
12 20 percent to 30 percent in the amount of
13 the FY 2010 tuition increase retained by the
14 University. And I want to talk about that
15 in just a minute, because I think that was a
16 paradigm shift for both the State University
17 and the City University, and we were
18 delighted to be part of making that happen.

19 A portion of the \$84 million reduction,
20 about \$21 million, is related to
21 across-the-board proposals to reduce salary
22 and fringe benefit costs to be negotiated
23 with the unions. The proposed reduction
24 will have a very real effect on the work of

1 our senior colleges. Since 1999, these
2 colleges have together welcomed almost
3 38,000 additional students to their
4 campuses. That's an entire New York
5 University, a 38,000 increase.

6 Our colleges remain uncompromising in
7 their commitment to academic quality, but
8 the fact remains that continued budget cuts,
9 combined with growing enrollments, means a
10 serious strain on resources and an acute
11 need to add full-time faculty and academic
12 support.

13 You may recall when I testified last
14 year that the central theme of my
15 administration when I became chancellor in
16 1999 was to rebuild the full-time faculty of
17 the City University of New York. When I
18 came in as chancellor, we were seeded at
19 about 5400 full-time faculty, down from
20 11,000 full-time faculty in the mid-1970s.
21 And I'm pleased to say that during this
22 period of time we have added an additional
23 1700 full-time faculty to the ranks of the
24 City University of New York, unprecedented,

1 I might say, within the higher education
2 communities across the United States.

3 There has been much discussion in the
4 past several hours about the Governor's
5 proposal for the Public Higher Education
6 Empowerment and Innovation Act, which
7 recommends a number of adjustments in the
8 way in which the university, both SUNY and
9 CUNY manage its affairs. Let me talk a
10 little bit about this, because some of this
11 is not new. Some of this I have been
12 talking to the joint committee for several
13 years. And let me go over some of the ideas
14 in this budget and provide a little more
15 texture on how some of this is going to
16 benefit the university and how it would
17 work.

18 First of all, CUNY several years ago
19 established this new finance vehicle which
20 we called the CUNY Compact. It was an
21 affirmation that the City University can no
22 longer depend on its major two supporters,
23 meaning the State of New York and the
24 students, through tuition. That if we were

1 going to have an investment vehicle, we had
2 to have philanthropy part of the equation,
3 we also had to have targeted enrollment
4 management part of the equation, and that
5 the University had to take ownership to
6 providing good business practices in the way
7 in which it managed its affairs.

8 Part of the subject of the compact was
9 to provide a predictable set of tuition
10 actions. And we have acted very
11 responsibly. I used to talk about a basket
12 of economic indicators. We talked about the
13 Consumer Price Index, we talked about the
14 regional HEPI. And I told this committee
15 that the HEPI is about 150 basis points,
16 usually, ahead of the CPI -- it is a more
17 enriched index than the CPI -- and that we
18 thought that a composite of that would be a
19 good way to inform how we would structure a
20 tuition increase.

21 Let's think about how the State of
22 New York has dealt with tuition increases,
23 and let me give it to you in the rawest
24 terms possible. We heard Assemblyman Miller

1 saying yes, in bad times the student is
2 taxed because the state doesn't have the
3 revenue to support the operating needs, and
4 in good times very little happens.

5 But let me put it in a different
6 context. It's about when you were born,
7 your age. You can enter CUNY and SUNY and
8 go four, five, or six years and not see a
9 tuition increase at all. Why? Because the
10 state of the economy was such that that was
11 not needed. But if you're a student that
12 was born a few years earlier or a few years
13 later, because you came into more economic
14 turmoil, you had very steep tuition
15 increases.

16 We instituted tuition increases in the
17 1990s of 20 to 25 percent, as did SUNY. It
18 was obscene. It is the most regressive way
19 of taxing students to support public higher
20 education. It has to be changed. And
21 that's why I proposed eight years ago and
22 since, each year, have talked to this
23 committee about the need to have a tuition
24 schedule that is understood by students and

1 understood by their families and do it in a
2 way that the increases are gradual and that
3 if any student, any student was prevented
4 from matriculating as a result of that small
5 increase, the pledge that I gave was that we
6 would make that student whole. And we have
7 not walked away from that pledge.

8 So when we talk about a more
9 predictable way of doing tuition, we have a
10 track record. The record is clear, the data
11 are clear. We have never raised tuition
12 more than a few percentage points, and we
13 have never allowed a student to be in harm's
14 way. We have always captured that. That is
15 part of the Governor's proposal. The
16 Governor's proposal, from where I sit,
17 supports the compact. All of our mandatory
18 costs are covered and a process of call it a
19 rational tuition policy, a policy informed
20 by an index, is in place.

21 We also support differential tuition.
22 And let me describe in a little more detail,
23 so that I think you understand, the way in
24 which differential tuition would work.

1 Largely, it's about graduate students. It's
2 not that much about undergraduate students.
3 And it is about investing in those programs.

4 If we were to charge, for example,
5 another \$200 for a graduate program, that
6 incremental increase goes back to the
7 program. And that's why the students were
8 supporting a differential tuition on the
9 basis of program, because they knew that the
10 money was not being absorbed into our
11 treasury and no one knew where it went, it
12 was going directly back to the program, to
13 invest in it for more faculty, for more
14 instrumentation, for all of the things that
15 would make those programs supportable.

16 So from where I sit, this is not new
17 news. We support a rational policy for
18 tuition. We support differential tuition on
19 a program basis, provided those dollars go
20 back for investment purposes.

21 The other part of the program that the
22 Governor has proposed has to do with dealing
23 with greater accountability and greater
24 business sense in the way in which we manage

1 created many partnerships with business.
2 Our two new dorms were done on the basis of
3 innovation and working with private
4 developers, and as the result of those,
5 costs have come down considerably. Because
6 they needed something and we needed
7 something, and we were able to do the
8 arbitrage on what those delta on the costs
9 were to get the things done.

10 The new School of Public Health, which
11 is going to be a dramatic new addition to
12 the City University of New York, was done on
13 a public/private partnership. The move of
14 our social work school was done on a
15 public/private partnership.

16 So CUNY has done this, needs to do it
17 more, and any regulatory burdens that can be
18 lifted a bit to allow us to do more is a
19 good thing. That's the way that I see the
20 proposals being provided by the Governor.

21 Let me conclude my testimony, because I
22 said that I would be brief. And I promised
23 the chair, and he smiled and affirmed that
24 that's a good thing.

1 CHAIRMAN KRUGER: It's hard to get a
2 smile.

3 CHANCELLOR GOLDSTEIN: A smile is
4 good.

5 I am deeply concerned about the
6 community college cut. I think this is a
7 cut that from where I sit makes absolutely
8 no sense. You know, I live and I work in
9 New York City. I have close connections to
10 the financial services world. I know that
11 world, I wouldn't say intimately, but I know
12 it enough to understand how we got into this
13 problem. And we got into this problem in
14 part because banks and other financial
15 institutions would take short-term debt,
16 long-term debt, securitize that debt, and
17 make it look like stocks.

18 Now, with stocks there are very, very
19 real regulatory frameworks in place that do
20 not allow for shenanigans to take place.
21 But when you take long-term debt and
22 securitize it and make it look like stocks,
23 this is where people got into tremendous
24 problems. This was the problems with the

1 securitizing mortgages and collateralized
2 debt obligations. All of this stuff has
3 played havoc in New York City.

4 And as a result of that, we're seeing
5 large unemployment. The latest numbers in
6 New York, 10.6, I think that number is going
7 to go up. It's particularly acute in parts
8 of the state. Wall Street is going to be a
9 very different place than it was just a few
10 years ago, and we're not going to be able to
11 depend on the revenue that we all expected
12 to live by.

13 And people are not being able to get
14 jobs, and they're coming to the community
15 colleges. They're coming to the community
16 colleges to get training. They're coming to
17 the community colleges to compete for jobs
18 that are there, but they don't have the
19 skills.

20 To shut the door to these students at
21 these community colleges I think is a very,
22 very poor strategy. And I implore you to
23 really take a look at this clearly and try
24 to turn this around. We must keep the

1 community colleges at SUNY and at CUNY open
2 for students and help expand it.

3 We are bursting at the seams with the
4 community colleges. To see another \$285
5 reduction in base aid over the \$130 base aid
6 reduction that was implemented last year
7 will have a chilling effect on the
8 university. And we cannot permit that to
9 happen. It doesn't make sense.

10 As we look how to unwind from this
11 recession that we have been in that largely
12 was the result of poor practices and high
13 risk, yes, in the financial services
14 world -- and it affects New York in a very
15 profound way -- we have to keep these
16 community colleges open. So I ask that you
17 pay particular attention to that.

18 And the last thing that I would talk
19 about -- and again, deviating from my
20 text -- is the capital program. Capital
21 creates jobs. We have facilities now that
22 are completely designed, and they're ready
23 to start construction. And there are people
24 who have the skills ready to build these

1 buildings that we desperately need at the
2 City University of New York.

3 We don't have land, unfortunately. I
4 wish we had land in the five boroughs. We
5 don't. So what we have to do is to
6 refurbish and build facilities from old
7 facilities to use them in a much more
8 efficient way. And if we are talking about
9 creating jobs and helping the University to
10 work with the state to enhance its very poor
11 balance sheet -- and all of you know New
12 York State has a very poor balance sheet --
13 we must look at our capital program as one
14 area in which the university can, through
15 its needs, help to create an environment
16 that we think will be helpful.

17 Mr. Chairman, I will stop at that
18 particular time -- I pledged to you I would
19 do it -- and I'll take any questions that
20 any of you would like to provide.

21 CHAIRMAN KRUGER: Thank you,
22 Chancellor.

23 The first question is by the chair of
24 the Higher Education Committee, Toby

1 Stavisky.

2 SENATOR STAVISKY: Thank you. Thank
3 you, Chancellor. In fact, your comments
4 particularly on the community colleges, I
5 just set aside the questions I was going to
6 ask about it, about the reductions in base
7 aid and TAP and so on, because I think your
8 statement is a very strong one and I happen
9 to agree with you completely.

10 A couple of real quick questions based
11 upon your testimony today. The Governor
12 proposed a cap on out-of-state students.
13 Now, I know the out-of-state students at
14 CUNY, in large part many of them are foreign
15 students. And I represent an immigrant
16 community, as much of the City of New York
17 is an immigrant community.

18 What's going to be the effect of this
19 cap on foreign and out-of-state students?

20 CHANCELLOR GOLDSTEIN: You know, our
21 country was built on the backs of
22 immigrants. I think all of our parents or
23 grandparents came here from another country.
24 And thankfully they arrived on our shores

1 and they created great music, great science,
2 they became some of the most profound people
3 in commerce and finance. And if we had cut
4 the ability of these people to come and
5 study here, I don't know that we would be
6 the country that we are today.

7 So when you ask me what is the effect
8 of putting a cap on our students from out of
9 state, which are largely immigrant students,
10 I think the effect, derived from our own
11 experience in the past, is going to be the
12 same thing. There are people that will no
13 longer have the ability to study at this
14 university and no longer be able to not only
15 improve their lives but improve the lives of
16 their community. That's where I see the
17 problem.

18 SENATOR STAVISKY: And in fact when
19 City College was founded in the 1840s, the
20 objective was to educate the sons and
21 daughters of -- sons, primarily, at that
22 time -- of immigrants. And it seems to me
23 that mission really hasn't changed.

24 CHANCELLOR GOLDSTEIN: That's what we

1 do.

2 SENATOR STAVISKY: A couple of other
3 questions. You spoke about having
4 differential tuition for certain subject
5 areas, certain programs that may be more
6 expensive to administer. And I assume we're
7 referring to programs with labs and so on,
8 the so-called stem subjects.

9 Is this going to intensify the existing
10 stratification by gender or by economic
11 income or by race that could exist?

12 CHANCELLOR GOLDSTEIN: Senator
13 Stavisky, let me again -- first of all, the
14 answer is unequivocally no.

15 The reason that I am supporting this
16 and have been supporting it for a long time
17 is that I think we need an investment
18 vehicle for very-high-priced programs.

19 Let me give you an example of what I'm
20 talking about. When I was president of the
21 Baruch College, as I was leaving the
22 campus -- and I had a wonderful seven years
23 as president there -- I started a program,
24 it's either a master of science or a master

1 of arts, I forget what the degree is, in
2 financial engineering, the so-called quants.
3 And in my previous life I used to train a
4 lot of those people, so I know that world.
5 And maybe we can be blamed for some of the
6 problems that we're facing.

7 But the fact is that those students
8 leave with jobs, and they are getting jobs
9 north of \$100,000 a year. It's a highly
10 competent program. NYU has a very strong
11 program, Columbia has a very strong program,
12 Baruch College has a very strong program.
13 But because it is a master's of arts or a
14 master's of science, we are restricted from
15 charging a tuition compared to any other
16 master of arts or master of science program.

17 So I have a group of students that are
18 taking a master of arts in philosophy and a
19 another group of students taking a master of
20 arts in fine arts and another group of
21 students taking a master of arts in
22 financial engineering. And because this
23 program is so in demand, and because these
24 students leave with great jobs, and because

1 I can use the money to invest in that
2 particular program, why not do it?

3 The students even say to me: "We'll
4 support this, but show us where the money is
5 going." And my pledge to all of you is that
6 it's not going to be absorbed into the
7 treasury, where there's no audit of where
8 those dollars go. It goes right to the
9 program where we're creating the levy. And
10 that's how I conceive of differential
11 tuition by program. And that's where I
12 think it is a good thing for CUNY.

13 SENATOR STAVISKY: I have a problem
14 with differential tuition by college. In
15 Queens County we have Queens College and we
16 have York College. And I am troubled that
17 if we initiate or if we have a program where
18 Queens College can charge more than
19 York College, that we're going to put York
20 College in jeopardy.

21 How do you feel about that?

22 CHANCELLOR GOLDSTEIN: For CUNY, it's
23 a nonstarter. I don't support differential
24 tuition by campus. It doesn't make sense

1 for CUNY, because we are a tightly compacted
2 university living in each other's back yard
3 with a lot of flows back and forth.

4 SUNY is a different situation. SUNY is
5 much more spread out, has much more variance
6 in the kind of institutions. And there you
7 heard from Chancellor Zimpher being
8 supportive of that.

9 But for us, when I think about
10 differential tuition, it's on a program
11 basis, largely, largely weighted towards
12 graduate education. And it probably is just
13 going to be in a few areas. But I need that
14 ability to make investments into those
15 programs.

16 SENATOR STAVISKY: Even though the
17 Governor has tried to eliminate graduate
18 TAP.

19 CHANCELLOR GOLDSTEIN: I'm sorry?

20 SENATOR STAVISKY: I said "and the
21 Governor is trying to eliminate graduate
22 TAP."

23 CHANCELLOR GOLDSTEIN: Well, I --

24 SENATOR STAVISKY: No, that's not a

1 question.

2 CHANCELLOR GOLDSTEIN: Well, I am not
3 supportive of eliminating graduate TAP.

4 SENATOR STAVISKY: Two quick ones.

5 Last year I visited the ASAP program in
6 Queensborough Community College, which is in
7 my district. And I'm very proud of
8 Queensborough; they have a wonderful program
9 for high school students. How can that
10 program be replicated? I think there's six
11 campuses, but --

12 CHANCELLOR GOLDSTEIN: Let me tell
13 you about ASAP. It derived from a night
14 when I was walking in my apartment at 2:30
15 in the morning -- it's absolutely a true
16 story -- where I was lamenting about the
17 very poor graduation rates at community
18 colleges around the United States.

19 The three-year graduation rates
20 nationally at community colleges are about
21 25 percent. That means that one out of four
22 students that are enrolled in a two-year
23 program graduate in three years. And there
24 are lots of reasons for that -- and a lot of

1 very good reasons and a lot of lousy
2 reasons.

3 And I tried to conceptualize, not
4 knowing as much about community colleges
5 because I never studied at a community
6 college, I never taught at a community
7 college. But community colleges are the
8 acid class in higher education that is
9 exploding in size. Forty-five percent of
10 the students studying in the United States
11 today study at a community college. They
12 are the point of entry.

13 And I wanted to think about how we
14 could create a program. And I had breakfast
15 with Michael Bloomberg, our mayor, and I
16 said to him, "I have an idea, and I'd like
17 to test it out. Would you support it?" And
18 he said yes. And we supported -- and let me
19 give you the data.

20 We will graduate a cohort of
21 students -- we started at about 1200
22 students, and it was started at each of our
23 six community colleges. We will graduate
24 60 percent of those students in three years

1 in the ASAP. Now, if that isn't a paradigm
2 shift, I don't know what is.

3 Now, it requires an investment. I
4 don't want you to leave here thinking this
5 is just business as usual. It was an
6 investment but a well-thought-out program.
7 And from that ASAP, we are now conceiving a
8 new community college: Totally redesigned,
9 derived from the principles that the ASAP
10 program was built upon. And we're hoping --
11 and tomorrow I'll be in Washington speaking
12 with Under Secretary of Education Kanter,
13 who is very interested in our new idea. The
14 Gates Foundation has pumped in a lot of
15 money into this idea. And I'm hoping that
16 we can push forward using this as a model as
17 a reform in how community colleges are
18 engaging with students in ways different
19 than they're engaging with students right
20 now.

21 SENATOR STAVISKY: I must tell you,
22 when I had the call from President Marti and
23 he was so excited that I should come over,
24 drop everything, come over and look at the

1 program. And I left with the same feeling
2 of excitement, that this has great
3 potential.

4 Last question, which I think is sort of
5 the summary of the other questions as they
6 involve community colleges. I find it very
7 upsetting -- and I attended a meeting of the
8 Education Commissioners of the States where
9 this was an issue -- that 75 percent of our
10 students in the CUNY community colleges --
11 or 73.7, I think, percent of the students in
12 the CUNY community colleges need
13 remediation, whether it be reading, writing
14 or math. That the skills they bring are so
15 limited that they have to satisfy these
16 requirements before they can continue.

17 What can we do? To tell me that, well,
18 a couple of years ago it was 85 percent
19 doesn't make any me feel any better.

20 CHANCELLOR GOLDSTEIN: Oh, it doesn't
21 make anybody feel better. I don't want to
22 spend --

23 SENATOR STAVISKY: What can we do?

24 CHANCELLOR GOLDSTEIN: I don't want

1 to spend money on remediating students. But
2 this is a national problem. This is not a
3 problem unique to New York State, it is
4 ubiquitous across the United States.

5 And the United States really -- it's
6 really after World War II that community
7 colleges were really first conceived. It
8 was rare to find a community college before
9 World War II. So it's really an American
10 phenomenon.

11 We need to do a better job in preparing
12 students to come to a university, whether
13 it's a two-year college or a baccalaureate
14 institution. Too many of our students,
15 unfortunately, are leaving schools poorly
16 educated, and some of them are severely
17 poorly educated. And it troubles all of us
18 greatly.

19 And that is one of the reasons that in
20 our administration we have spent as much
21 time developing relationships with the DOE
22 schools. And Joel Klein and I now have
23 groups that are working, a group with SUNY
24 and a group with CUNY and a group with the

1 DOE to drill down deep into the bedrock of
2 the experiences that students have at our
3 high schools and junior high schools, and
4 working with the teachers so that they
5 understand the expectations of faculty at
6 universities and better prepare them.

7 It's going to take a long time, but
8 this is something that we must do.
9 Community colleges as part of their overall
10 mission remediate the deficiencies that
11 should have been dealt with in earlier
12 stages of their education.

13 SENATOR STAVISKY: Thank you,
14 Chancellor. And thank you for the
15 leadership that you have been providing over
16 the last 11 years, since 1999.

17 CHANCELLOR GOLDSTEIN: Thank you,
18 Mr. Chairman.

19 Mr. Chairman, I neglected to introduce
20 part of my leadership team here, if you
21 would let me do that.

22 CHAIRMAN KRUGER: Please.

23 CHANCELLOR GOLDSTEIN: All the way on
24 my left is Pete Jordan, who handles student

1 affairs at the university.

2 Marc Shaw, who's recently joined us as
3 senior vice chancellor for budget, finance
4 and financial policy is right here; we're
5 delighted to have Marc.

6 Iris Weinshall, who does magic with our
7 real estate and has unclogged the pipeline
8 of lots of projects -- and that's why we
9 need more money, because she needs to be
10 fed. She does it well.

11 And everyone knows Jay Hershenson, our
12 senior vice chancellor, who handles our
13 government relations and is our top
14 communication officer. And he's also
15 secretary to the Board of Trustees.

16 So thank you.

17 CHAIRMAN KRUGER: Thank you.

18 We are joined, once again, by Senator
19 DeFrancisco as well as Senator Brian Foley.

20 CHAIRMAN FARRELL: Deborah Glick, to
21 question.

22 ASSEMBLYWOMAN GLICK: Nice to see
23 you, Chancellor. I will try to be as
24 succinct as you were in your opening

1 statement, with a few different areas.

2 Earlier I asked Chancellor Zimpher
3 about outside contracts to do what might be
4 services that appear to be normal CUNY
5 services. The example I gave was the
6 handling of transcripts, if somebody for
7 whatever reason needs transcripts. And it
8 turned out that in at least one of the
9 schools they thought they were dealing with
10 SUNY and they were actually dealing with
11 some Chicago firm that had screwed up.

12 So I'm wondering if there are those
13 kinds of services that the university
14 contracts with and whether those contracts
15 are in or out of state. And I don't
16 necessarily expect you to have that off the
17 top of your head. It is one of those
18 areas --

19 CHANCELLOR GOLDSTEIN: Well, I would
20 assume the answer is yes but I don't think
21 ubiquitous at all in the university.

22 The one that comes to mind, and we do
23 this at a couple of our campuses, is some of
24 the custodial staff, staffs that we have

1 where we will contract out for services to
2 clean and maintain a building or a set of
3 buildings, as opposed to having -- which is
4 most of the cases at our campuses -- people
5 that are employees of the City University of
6 New York and do the same thing.

7 We also have had some involvement with
8 outside security on a couple of our
9 campuses.

10 I would think that those would be the
11 dominant areas of contracting. There
12 probably are other very small things that we
13 do, and I can certainly get a compilation of
14 them. I don't see this as a big issue for
15 us, but I can certainly compile that and get
16 that to you forthrightly.

17 ASSEMBLYWOMAN GLICK: Ancillary to
18 that is whether there is a large use of
19 temporary workers.

20 CHANCELLOR GOLDSTEIN: Well, if you
21 define temporary workers as part-time
22 workers, we have lots of those people on our
23 faculty. For example, we have about 9500,
24 maybe close to 10,000 faculty who are

1 adjunct faculty who are not part of the
2 full-time teaching corps of the university,
3 and we rely on them for coverage of,
4 obviously, many of our classes.

5 And that probably would be the biggest
6 area that we have, certainly in the
7 instructional area of the university. And
8 of course we hire people part-time,
9 administrative assistants and people like
10 that. But most of our employees are
11 full-time people.

12 ASSEMBLYWOMAN GLICK: In the area of
13 support, we don't have to go back over those
14 things that are very clear about the
15 compact. The only thing is that I always
16 understand the notion of the compact as
17 being a consistent or knowable state
18 commitment. And I guess I'm asking whether
19 or not you think that this budget reflects
20 in any way what you had anticipated in terms
21 of the reduction.

22 CHANCELLOR GOLDSTEIN: Well, this is
23 not a good budget for CUNY. Let me just
24 mention that just straightforward. An

1 \$84 million cut, for me, translates to about
2 850 full-time faculty. So, you know, take
3 that number -- and that's full boat. That's
4 with salary, fringe benefits. That's a
5 significant number of full-time faculty.

6 If we have that built into our base, I
7 would open up the gauntlet and -- open up
8 the -- not the gauntlet, the faucet -- the
9 spigot, thank you, Iris -- the spigot and
10 have a flow of --

11 ASSEMBLYWOMAN GLICK: I thought Jay
12 did communication. Just joking.

13 (Laughter.)

14 CHANCELLOR GOLDSTEIN: Well, if Iris
15 had not given it to me, Jay would have been
16 there immediately.

17 Eight hundred fifty full-time faculty
18 is a big deal for us, and that's what a cut
19 of that nature is. So don't leave here
20 thinking that this is a walk in the sun for
21 us. It's not at all. And it comes on top
22 of previous cuts. And there's just so much
23 that you can stress the system where it's
24 not going to have a very chilling effect.

1 So yes, the budget cuts are real, and
2 they have been continuous. And that is one
3 of the reasons that I think we need to
4 operate in a different way.

5 We will always be a state institution.
6 And I think, you know, the movement of
7 public higher education to emulate private
8 universities is not a good thing.
9 Eighty percent of the students who study in
10 the United States study at public
11 universities. And that's where the action
12 is, and that's where the action will
13 continue to be. And that's where I think
14 it's critically important to preserve and
15 protect our public universities.

16 You know, two years ago, right before
17 President Obama was elected, we brought to
18 New York City some of the top leaders in
19 public higher education. And we're going to
20 do it again, we're going to do it in
21 October. And I'd love -- and Jay already is
22 thinking about how to engage communities
23 outside of the universities to participate
24 in that discussion.

1 We are facing peril in the United
2 States. And I have said this to this
3 committee -- and some of you raised your
4 eyebrows when I said it -- I think we're
5 facing a national security problem if we
6 don't support public higher education in the
7 United States. Because if we don't educate
8 our people so that when they leave they can
9 compete in an economic environment that is
10 totally unforgiving on two levels, skills
11 and competition, the United States is going
12 to be diminished as a country. We cannot
13 afford -- it's not that we're going to be
14 attacked, but we're going to be comprised
15 economically, and we cannot afford to do
16 that.

17 So when I see the chipping away at CUNY
18 I worry that we're going to be able to give
19 our students the best experience we are
20 capable of. And yes, we have raised a lot
21 of private money. In 2005 we announced a
22 \$1.2 billion campaign. We got it done four
23 years earlier. We're now going to do a
24 \$3 billion campaign. We have to do that.

1 But that doesn't mean we're going to emulate
2 a private university.

3 I am obligated, as the chancellor of
4 this university, to find dollars to support
5 the educational life of our students. And
6 if I can't get it fully from the state,
7 which is where I need to get it from, I need
8 to fill in the holes in other ways. That's
9 what the CUNY Compact was about. And that's
10 why I refer to it as a financing vehicle.
11 It's a financing vehicle for investment.
12 It's not about supporting the operating
13 needs of the university.

14 So back to your question, what the
15 Governor has proposed is covering our
16 mandatory costs. That's critically
17 important for us. If you don't have your
18 mandatory costs, you cannot do the compact.
19 What we need, in addition to the mandatory
20 costs, we fill in the rests of the blanks.
21 I need to have gradual tuition imposed, and
22 I need to have some of that money returned
23 to the campus.

24 And that's why two years ago we were

1 successful, with your help and with the help
2 of DOB, to get 20 cents on the dollar
3 returned every time we levy tuition. This
4 year it's 30 percent. And hopefully the law
5 will continue to live so that next year it
6 will be 40 percent. To me, that was a
7 major -- and I think I used the term
8 "paradigm shift." That was important for
9 us.

10 And so when you say does the budget
11 provide, if it would provide an opportunity
12 for us to do gradual tuition increases --
13 and when I say gradual, look at our record.
14 Two percent this year, 3 percent, 4 percent.
15 That is the order of magnitude that we're
16 talking about. If we can get that and our
17 mandatory costs, then our presidents are
18 going to support the philanthropy piece and
19 our management teams are going to support
20 the efficiencies and productivities that we
21 can monetize and put back into the system to
22 spend money and managing our enrollment in
23 ways that will generate resources. That's
24 the idea.

1 ASSEMBLYWOMAN GLICK: Thank you.

2 As your enrollment has been growing, as
3 your enrollment has grown, are you also
4 seeing greater demand for programs like
5 SEEK? And if so, how are you managing that?

6 CHANCELLOR GOLDSTEIN: Our SEEK
7 program has been very stable. You did say
8 SEEK? Yeah, our SEEK program has been very
9 stable over the last several years, and the
10 SEEK students are doing much better.
11 Retention is higher, graduation rates are
12 higher, and the program continues to serve
13 an important need at the university. And we
14 watch it very carefully.

15 ASSEMBLYWOMAN GLICK: At some of the
16 schools -- and I couldn't agree more that
17 the community colleges are a critical
18 gateway. But they are bursting at the
19 seams. They're doing creative things like,
20 you know, doing weekends at campuses that
21 have some space available, maybe reducing
22 some of the travel time for some students,
23 and doing all sorts of things.

24 How close is the university to not

1 being able to accommodate any more students?

2 CHANCELLOR GOLDSTEIN: We are, to use
3 a tired phrase and a beaten-up phrase, we're
4 bursting at the seams. You go to any of our
5 community colleges, they are operating seven
6 days a week. Get there at 7, 8 o'clock in
7 the morning, you will see classes. Stay
8 until 10, 11 o'clock at night, you will see
9 classes.

10 About a year ago, Jay Hershenson -- and
11 I just refer to him as Jay, because
12 everybody knows Jay -- Jay said to me, "You
13 know, we ought to think about a 24-hour
14 campus." And I said, "What are you, crazy?
15 We'll never be able to clean the campus and
16 so forth."

17 I think he's right. We are seeing more
18 and more people so desperate to get classes
19 and so challenged by the complexity of their
20 lives that they are willing to come to the
21 university at ungodly hours. The students
22 are so motivated that we may indeed turn out
23 to be a campus for many of our community
24 colleges that will emulate almost

1 24-hour-a-day experience. We're not there
2 yet, but we're getting pretty close.

3 ASSEMBLYWOMAN GLICK: I think you
4 touched on this, and it follows up on what
5 Senator Stavisky was talking about.

6 There seems to be a growing disconnect
7 between the view of high school instructors
8 as to what is making somebody college-ready
9 and college instructors as to what is in
10 fact the level of achievement of the
11 incoming students. And some of that seems
12 to be linked to a disconnect in curriculum,
13 that there hasn't been the kind of change or
14 innovation in curricula in the high schools
15 and it's translating into students coming in
16 without sufficient background in some areas.
17 And I will discuss this also with Dr.
18 Steiner when he's available.

19 But from the public schools in New York
20 City, which is the largest influx of your
21 student body, the figure I saw was that
22 70 percent of students -- and I don't know
23 if entering just the community colleges or
24 not -- were in need of some level of

1 remediation. A, is that accurate? And B,
2 what do you think CUNY can do, working with
3 DOE, to make the adjustments necessary to
4 improve the potential for success?

5 And it sounds like some of it has to do
6 with the way in which this particular
7 program that you're focused on -- as you
8 said, it took money -- took focus. But is
9 there in fact -- from literature I'm
10 reading, there appears to be some disconnect
11 on just even the curricular basis.

12 CHANCELLOR GOLDSTEIN: There has been
13 a disconnect, I think throughout the United
14 States, that universities have not spent
15 enough time thinking about schools. Really
16 the place in the university that typically
17 did think about schools -- that's K-12 --
18 were the education schools, because that was
19 part of their life.

20 You're right that about 75 percent of
21 the students that come to our community
22 colleges need to be remediated in at least
23 one area -- writing, comprehension, or
24 mathematics. And that number is much lower

1 than it was a few years ago, but it is still
2 appallingly high and unacceptable.

3 We are working and have been working, I
4 think CUNY really has taken a lead in the
5 United States -- and it preceded me coming
6 to CUNY. I'm not at all taking credit for
7 this. We've just built on it -- really
8 taking these silos that existed, CUNY and
9 the DOE schools, and breaking the boundaries
10 that separated those silos. Faculty are
11 talking with one another. We're sharing
12 data in ways that we've never shared data
13 before, to really understand the data, to
14 inform how we can communicate to teachers,
15 parents and students at the schools what the
16 expectation is when they enter a university,
17 whether it's CUNY or someplace else.

18 We have a long way to go, because the
19 issues are deep and complex. But I think we
20 are obligated to do that because we want our
21 students to be successful. And with low
22 graduation rates or low retention rates, a
23 good part of the variance that explains that
24 is very poor preparation. And we've got to

1 get our hands around that.

2 And, you know, we train a lot of the
3 teachers. SUNY trains a lot of the teachers
4 that teach not only in the DOE schools but
5 across the state. We have to do a better
6 job. The university has to do a better job,
7 and certainly the schools have to do a
8 better job of communicating and not being
9 fearful of the discussion. And there was
10 fear about, you know, really showing the
11 warts. And we have to get that off the
12 screen and be truthful to one another and
13 really try to help us. And we're really
14 doing it in ways that we've never done it as
15 much before.

16 ASSEMBLYWOMAN GLICK: Let me just ask
17 one last question about where you are on
18 capital needs and what the budget means to
19 you in that regard. There is some
20 continuation for critical maintenance, but
21 as old as the SUNY schools are, many of the
22 CUNY schools are even older.

23 So what the current situation in terms
24 of dealing with the problems that exist in

1 many of the classrooms where maybe there are
2 leaks, maybe there are windows that don't
3 open or windows that never opened or rain
4 inside when it rains outside? Those kinds
5 of things that make it difficult for
6 students and faculty to focus on what is
7 really the business at hand.

8 CHANCELLOR GOLDSTEIN: I think Iris
9 Weinshall can answer it with much greater
10 depth and knowledge.

11 ASSEMBLYWOMAN GLICK: I expect it
12 from Iris.

13 CHANCELLOR GOLDSTEIN: Iris
14 Weinshall, she can do it better.

15 One of the things I will say is that we
16 worked with SUNY a few years ago to develop
17 a plan of what the critical maintenance
18 needs are for both SUNY and CUNY. And we
19 are delighted that this year, as last year,
20 we do have in our capital budget about
21 285 -- well, that's close, 284 is pretty
22 close to 285 -- \$284 million for critical
23 maintenance at our senior colleges.

24 So why don't you take it from there,

1 Iris?

2 VICE CHANCELLOR WEINSHALL: The
3 chancellor is correct. This is the third
4 year that DOB will be funding our critical
5 maintenance program. To date, we've
6 committed well over \$200 million of the
7 \$560 million that was appropriated in the
8 last couple of years. So we're putting that
9 money to work.

10 But clearly many of our buildings are
11 well over 30 years old, and they have many
12 different operations that don't work
13 correctly. And you're right, you know,
14 we've got roofing problems, we've got window
15 problems, elevator/escalator problems. But
16 with this money, we're able to address those
17 needs.

18 Let me just reiterate what the
19 chancellor said also. Beyond the critical
20 maintenance, there are a number of projects
21 which we call shovel-ready. They're fully
22 designed and ready to go into construction.
23 And we have appropriations for those
24 projects, but a little more money needs to

1 be added so that we can complete those
2 projects.

3 And so as the budget process proceeds,
4 we're going to be coming by with our
5 priority list. And if we can get this
6 funding, that those projects can go into the
7 ground and start construction.

8 ASSEMBLYWOMAN GLICK: Do you have a
9 figure that we'll be hearing about?

10 VICE CHANCELLOR WEINSHALL: Not a
11 figure, but we'll be coming around with a
12 number of projects.

13 ASSEMBLYWOMAN GLICK: Thank you.

14 CHAIRMAN KRUGER: Thank you. I'm
15 just going to slide in here for a moment,
16 Chancellor.

17 When we talk about the issue of tuition
18 differential, we get into a gray area.
19 Sophie Davis, for example, it's a hybrid
20 kind of a program. It's an undergraduate
21 program, yet it takes the form of a graduate
22 program. What is the tuition policy in a
23 situation like that?

24 CHANCELLOR GOLDSTEIN: What was the

1 program?

2 CHAIRMAN KRUGER: The Sophie Davis
3 Biomed.

4 CHANCELLOR GOLDSTEIN: The Sophie
5 Davis School of -- which is a great program,
6 you know. Yeah, for those of you who may
7 not be aware of this, this is a seven-year
8 program where students are admitted right
9 from high school, they attend City College,
10 and at the end of five years they get their
11 undergraduate education in the first two
12 years of medical education, the biomedical
13 piece, and then they finish the last two
14 years in a clinic setting at Mt. Sinai or
15 P&S or Downstate or one of those
16 institutions.

17 That would be something we would -- how
18 we would differentiate the tuition for a
19 hybrid like that, which I believe is unique
20 in the university, would take some thought.
21 And, you know, I can't give you an answer
22 right now, but I'd be happy to communicate
23 to you what our thinking would be if we had
24 the ability to do that.

1 CHAIRMAN KRUGER: As you point out, a
2 great program, designed around a ghetto
3 medicine model. And to take kids out of
4 high school and to put them into a position
5 where if they did qualify -- and it has
6 become much more competitive through the
7 years, as it should be. It would be a
8 departure from the mission of the program
9 itself if we created an artificial firewall,
10 so to speak, that would make it difficult if
11 not impossible for many deserving kids to
12 participate in it.

13 Okay. Senator Montgomery?

14 SENATOR MONTGOMERY: Thank you,
15 Mr. President. Am I on? Okay, thank you.

16 Chancellor, thank you. And I certainly
17 agree with a couple of your statements. In
18 particular, one is that I think you're
19 absolutely right that the lack of access to
20 higher education for so many young people,
21 and young people who are being poorly
22 educated, is a homeland security threat. So
23 I'm glad you mentioned that.

24 And you mentioned that you will be

1 having a second summit for higher education
2 professionals at some time. And I'm
3 assuming that you will specifically include
4 in that summit some of the presidents of the
5 HBCUs who have been apparently more
6 successful in the development of young
7 people, particularly African-American young
8 people.

9 I'd just like to ask you about the BMI
10 program. I know that you have instituted
11 this specifically to try and reach the most
12 difficult sector of our student population,
13 and that's young males of color. So I'm
14 just curious to know what number of students
15 you've been able to reach and what's the
16 success of that program vis-a-vis the number
17 of students who have been able to move
18 through the system based on the BMI program.

19 CHANCELLOR GOLDSTEIN: The BMI
20 program is --

21 SENATOR MONTGOMERY: Black Male
22 Initiative.

23 CHANCELLOR GOLDSTEIN: -- the Black
24 Male Initiative. It was started a few years

1 ago, derived from the very good work of
2 Edison Jackson with the Male Empowerment
3 Program he had at Medgar Evers College. I
4 then thought about it and wanted to scale it
5 up at the university level.

6 We're privileged to have recruited
7 Elliott Dawes, who is the fellow who is our
8 guiding light now in the Black Male
9 Initiative. And this year his major focus
10 was around health careers and problems of
11 health mainly in urban areas. And he worked
12 very closely with Ken Olden, who we
13 recruited as our founding dean of the CUNY
14 School of Public Health. Ken we recruited
15 from the National Institutes of Health,
16 where he headed up a very important
17 directorate.

18 So in short, the BMI is alive and well.
19 Many students are going through the various
20 programs that we have at the various
21 campuses. I would ask Pete Jordan, our vice
22 chancellor for student affairs, to put a
23 little more texture on it. But that's the
24 overall look at the program from 10,000 feet

1 up. Pete can give you more detail.

2 VICE CHANCELLOR JORDAN: Senator
3 Montgomery, thank you for inquiring the
4 program because it is one of the programs in
5 recent years that the university has started
6 that we are especially proud of. Currently,
7 across the university there are
8 approximately 17 different programs going on
9 that include structured mentorship for
10 approximately 3,000 young men who are
11 largely of African and Latino descent across
12 the university.

13 We are also privileged to have the
14 support of private corporations and
15 foundations, like Deutsche Bank as well as
16 the Schott Foundation, in terms of working
17 with us and contributing to the support of
18 this program. Over the last two years,
19 those two organizations contributed over
20 \$750,000 to the support of this program. So
21 we're really proud of the program.

22 In addition to the health career focus
23 that the chancellor mentioned, there is also
24 a focus on assisting young African-American

1 and Latino men in terms of entry into the
2 legal profession, into law schools, as well
3 as a focus on medical school and the
4 teaching professions as well.

5 So it's a signature program that we're
6 really proud of, and it has so far proven to
7 assist young men, urban males, in terms of
8 staying in school and staying focused,
9 creating community as well.

10 SENATOR MONTGOMERY: Thank you. If I
11 could just pursue that. You indicate that
12 there's \$750,000 that you received in
13 private foundation funding. What about the
14 university funding itself? Do we have a
15 budget for that internally, or how does that
16 work? And does it relate at all to the ASAP
17 program, or these are entirely different
18 kinds of programs.

19 VICE CHANCELLOR JORDAN: The ASAP
20 program is different, although students who
21 are enrolled in the ASAP program can
22 participate in also mentorship programs
23 through the BMI program.

24 I neglected to point out that and to

1 thank the City Council of New York for its
2 support of the program as well. There, we
3 have received an average of \$2 million a
4 year for the last five years in support of
5 this program. And of course the university
6 is also contributing through in-kind support
7 in terms of staffing and so forth.

8 SENATOR MONTGOMERY: All right. So I
9 guess I was anticipating that the BMI
10 program would be a little bit more than
11 mentoring. So I'm happy with the mentoring,
12 but I thought we needed a lot more support,
13 a deeper support in order to make it really
14 possible to reach some of the young people
15 who are most difficult to reach.

16 So I'm not clear about what the intent
17 of it is, and I guess I was mistaken in my
18 understanding of what the purpose of the
19 Black Male Initiative was.

20 VICE CHANCELLOR JORDAN: Senator
21 Montgomery, you're not mistaken. Pardon my
22 poor representation, perhaps, of the program
23 in identifying just one aspect of the
24 program.

1 But overall, the focus of the program
2 addresses access issues for students. But
3 for students who are enrolled, it's also
4 about providing them with structure, the
5 kind of structure, counseling, academic
6 counseling and support that is needed, as
7 well as career development and support for
8 these students. And career -- not only
9 career, but financial literacy development
10 as well.

11 So there are a whole host of services
12 and developmental opportunities that are
13 provided for students in the program, and
14 mentoring is one aspect of that.

15 SENATOR MONTGOMERY: Okay, thank you.
16 It would be helpful if I could see where
17 those programs are and just what exactly
18 goes into making them unique in terms of
19 their attempt to build a support for these
20 difficult young people.

21 CHANCELLOR GOLDSTEIN: We'll be happy
22 to provide that for you.

23 VICE CHANCELLOR JORDAN: Definitely.

24 SENATOR MONTGOMERY: Thank you. I

1 appreciate that.

2 I want to just raise another kind of
3 issue -- related, but not exactly the
4 same -- and that is that some of campuses
5 have college-campus high schools, and
6 obviously apparently they are very
7 successful. I'm just wondering to what
8 extent you view that as something that
9 should be systemwide and how could we
10 support that happening more.

11 And related to that, apparently many of
12 the young people, especially the ones that
13 we're talking about, the BMI group and
14 others who have difficulty, start to really
15 fall out in their middle-school years. And
16 so I'm wondering if there is any thought
17 about a more intense intervention for
18 middle-school-age young people.

19 And I know that's not your purview, not
20 your responsibility, but neither is high
21 school, and you've done a good job by taking
22 on a piece of that. And I would just wonder
23 if there is any thought or any possibility
24 of planning to reach down to middle school.

1 CHANCELLOR GOLDSTEIN: Well, we do.
2 I think probably the best example of that is
3 our College Now program. College Now goes
4 down as low as eighth or ninth grade. So
5 that -- you know, those are middle-school
6 youngsters. And we work very effectively
7 with them.

8 With respect to the high schools, we
9 have, I believe, about 18 high schools now
10 that we take ownership with, and they are
11 either on or contiguous to a CUNY campus.
12 And on the books, we have some additional
13 high schools, these early-college high
14 schools in particular, that we will be
15 taking responsibility for. And those
16 schools are some of the best-performing
17 schools in New York City.

18 SENATOR MONTGOMERY: Yes, I
19 appreciate that. Thank you.

20 And I have two more questions, quick.
21 One is I always hear that the students are
22 failing. So we measure success or we refer
23 to the success or failure of the students.
24 And I contend that the students cannot be

1 more successful than the level of expertise
2 of the adults in the system.

3 So my question is, then, since there is
4 obviously a relationship between the
5 preparation of teachers and the success or
6 failure of large numbers of young people,
7 especially in public school -- before they
8 get to you -- what are we doing to improve
9 the quality of professional preparation? So
10 that we don't have teachers who are not
11 actually prepared to go into a classroom,
12 especially into classrooms where there are
13 any number of issues that they have to deal
14 with. What's happening with that?

15 CHANCELLOR GOLDSTEIN: We are
16 fortunate to have David Steiner as the new
17 commissioner of Education. David derives
18 from Hunter College, where he was considered
19 one of the leading deans of education at the
20 City University of New York. And so we were
21 delighted that David ascended to the
22 position of commissioner at SED.

23 He, among many things that he has to
24 do, is going to officiate over a reformation

1 of the way in which we train teachers. And
2 Nancy Zimpher and I have met with David on
3 several occasions, and with Meryl Tisch and
4 other members of the Regents, to talk about
5 a rethinking of how we train teachers. You
6 know, emulating a much more clinical model.

7 Nancy Zimpher is much more of an expert
8 in teacher education than I am, but I'm
9 certainly participating in those discussions
10 as well with our faculties. And a lot of
11 the "Race to the Top" programs that are --
12 we went through iteration one, but iteration
13 two I think will be very much dominated by
14 about the way in which we treat teachers and
15 how do we create a much more clinical kind
16 of an experience to really see teachers
17 being trained in ways to address just the
18 kinds of issues that you're talking about.

19 SENATOR MONTGOMERY: And I fully
20 support the new commissioner in his
21 philosophy, and certainly I look forward to
22 working to support him, continuing to
23 support him as he seeks to upgrade our
24 teacher training institutionally based.

1 Charles Lavine.

2 ASSEMBLYMAN LAVINE: Thank you,
3 Chairman Farrell.

4 Chancellor, yesterday I was reading
5 someone's bio, and in the bio -- it was a
6 political bio -- the fellow wrote that he
7 took great pride in the fact that he had
8 received a first-rate education at blank
9 private college, which we would all know if
10 I mentioned it.

11 And I resented that a little bit --
12 more than a little bit, as someone who
13 thinks he got a first-rate education at a
14 public university. So all the more reason,
15 on behalf of the 80 percent of us who rely
16 on public institutions of higher education,
17 all the more reason to commend you and your
18 team for fighting so hard for public
19 education even in difficult economic times.

20 Now, I've got a couple of brief
21 questions for you and then an observation.

22 First, what is your view about the
23 Governor's budget proposal to reduce TAP for
24 financially independent married students?