



**TESTIMONY
OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP
BEFORE THE
JOINT LEGISLATIVE BUDGET HEARING ON HIGHER EDUCATION
FOR THE 2017-2018 BUDGET
JANUARY 24, 2017
Albany, New York**

Good afternoon. My name is Alex Bornemisza and I am the Chairperson of the New York Public Interest Research Group's (NYPIRG) student Board of Directors and a SUNY Buffalo State College student. With me is Dennis Dontsov, a NYPIRG student from Hunter College of the City University, and Blair Horner, NYPIRG's Executive Director.

NYPIRG is the State's largest non-partisan student advocacy organization. Our Board of Directors consists of college and university students elected from campuses with NYPIRG chapters across the State. We appreciate this opportunity to share our preliminary perspectives on the governor's 2017-2018 Executive Budget for Higher Education in New York State.

Public College Tuition.

We strongly support Governor Cuomo's position that the cost of attending public college has become too expensive and that the State should ensure that low, moderate, and middle income college students can attend public college tuition-free. NYPIRG's position is that the State should go further and make public college education free, by addressing additional costs associated with getting a degree like textbooks, transportation, daycare and food.

Thus, we support the *philosophy* behind the governor's proposed Excelsior Scholarship program, which would charge no tuition to students whose income does not exceed \$125,000. Based on our review of the legislation, we do have some concerns with some of the technical aspects of the proposal.

Most notably, a key concern is that the Excelsior Scholarship is a "deferred payment" program. As we understand it, the program requires that a participating student receives the benefit of the scholarship only after successfully completing 15 credits and earning at least a passing C grade.

Thus, the money does not flow until after the semester. If the student, for some reason, fails to meet those requirements he or she is ineligible for coverage and the college must bill the student for the semester—the student who is eligible for the program precisely because they need economic support. It seems counterintuitive that economically struggling students be on the financial hook for the costs of a college

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semester that they took under the reasonable assumption that the scholarship would pay for it.

These are students who have been accepted to college and thus meet its minimum academic standards. “Real life” problems can adversely impact a student’s life and his or her academic performance – divorce, death or illness among family members, or the student incurring an injury or illness.

It is our experience that many students have semesters in which they struggle. The Excelsior Scholarship program should cover the cost of students in good academic standing and without a look back period. This is important since Excelsior is a need-based tuition program to be broadly applied.

Furthermore, the scholarship is too limited in who qualifies. It does not cover part-time students who often work full time to pay for cost of living expenses like food and rent and do not have the capacity to go to school full time. It also appears that the scholarship will not cover future public college tuition increases. As seen below, that issue can be addressed by rejecting the governor’s proposed tuition hike.

In addition, the governor’s budget calls for hiking tuition for students whose income exceeds \$125,000 through differential tuition. The governor’s plan states that the revenue generated by this increase “shall be allocated to each campus pursuant to a plan approved by the board of trustees to support investments in faculty, instruction, initiatives to improve student success and on-time completion and a tuition credit for each eligible student.” However, the language ignores other key costs – such as covering the costs that increase due to inflation. Those institutional demands, which are legitimate expenses, thus must rely on the additional tuition dollars in order to cover the financial impacts. As a result, instead of plowing the additional revenues into college academic enhancements, those revenues end up covering budget shortfalls.

- NYPIRG recommends that the Legislature amend the governor’s Excelsior Scholarship program to ensure that students in good academic standing are held harmless for the tuition costs of a semester in which they are actively participating.
- NYPIRG recommends that the Legislature rejects the increases in public college tuition proposed by the governor.
- As seen below, we believe changes must be made to ensure that both the State University and the City University are adequately funded by the State.

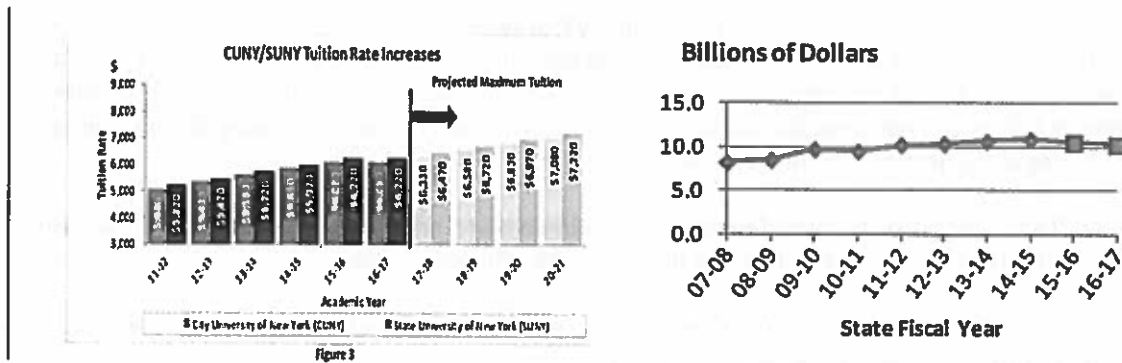
State Support for Public Colleges and Universities.

Last year, college students and their families were relieved of shouldering the burden of another tuition increase—which would have been the sixth year in a row—with the decision to freeze tuition. We applaud the Legislature’s advocacy of that position and commend efforts to tackle this problem through expanding financial assistance to middle income families with the introduction of the Excelsior Scholarship. However, in order to ensure that more affordable public higher education comes without compromising quality, our universities must receive more State support. As seen below,¹ State funding remains largely flat, even as the costs to maintain SUNY and CUNY have increased.²

¹ Tuition increase chart is from the Assembly “Yellow Book” FY 2017-18. While the chart showing State support over time is from the Senate’s “White Book” FY 2016-17.

² Inflation over the last six years totals 6.7%. No increases in support are essentially reductions in inflation-adjusted dollars (see: <http://www.usinflationcalculator.com/>.)

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As the costs associated with attending college continued to rise, the ability of typical New York families to absorb these costs has been limited. A recent survey found that from 1979 through 2012 the wealthiest one percent of New Yorkers saw an income growth of 307 percent, while the bottom 99 percent saw an income growth of only 8.3 percent.³

This combination of rising costs and flat income growth for most has eroded college affordability: Stagnating State support plus rising tuition, textbook costs and increased cost of living expenses that outpaces family income growth has resulted in rising debt for too many college students. For example, 60 percent of New York college graduates now carry debt,⁴ and debt loads average above \$32,000.⁵ Studies show that students burdened with student loan debt are less likely to start a business or own a home, stymying progress in social and economic growth in New York.⁶ The effect is even greater for low-income students and students of color.⁷

Decreased funding has left CUNY and SUNY on the hook for mandatory cost increases like inflation, electricity needs, and staff contracts. The State did not meet its promise to fund higher education included in the spirit if not the letter of the SUNY 2020 law – its maintenance of effort provision routinely excluded important mandatory and predictable cost increases. The State has been headed in the wrong direction. Unfortunately, the governor’s budget keeps it going in that direction.

- NYPIRG recommends that the Legislature enhance funding for CUNY and SUNY senior and community colleges in order to help students get the classes they need to graduate, reduce class sizes, and bolster student advisement.
- NYPIRG urges that the State strengthen its support for the Bundy program to help independent colleges and universities meet the needs of their students.

³ Sommeiller, E., and Price, M., “The Increasingly Unequal States of America, Income Inequality by State, 1917 to 2011,” Economic Policy Institute, February 19, 2014, see: http://www.epi.org/multimedia/unequal-states-interactive/#/New_York.

⁴ The Institute of College Access & Success, “College In Sight,” see: <http://ticas.org/posd/State-State-data-2015>

⁵ The Office of the New York State Comptroller, Student Loan Debt in New York State, September 2016, http://www.osc.State.ny.us/reports/highered/student_loan_debt.pdf.

⁶ Ambrose, Brent W. and Cordell, Larry and Ma, Shuwei, The Impact of Student Loan Debt on Small Business Formation (March 29, 2014), <http://ssrn.com/abstract=2417676> or <http://dx.doi.org/10.2139/ssrn.2417676>, April 17, 2015.

⁷ Robert Hiltonsmith, “At What Cost? How Student Debt Reduces Lifetime Wealth,” Demos (2013), <http://www.demos.org/what-cost-how-student-debt-reduces-lifetime-wealth>, accessed April 17, 2015.

Community Colleges

Community colleges are a local and potentially affordable path to a higher degree or a better job for many New Yorkers, including those who need to be close to their homes, families, and jobs. Moreover, community colleges provide crucial job training and re-training for under-employed and unemployed workers in a rapidly shifting economic environment.

- NYPIRG urges that the Legislature support an increase to bring the State closer to fully funding community colleges at 40 percent of their costs as required by law.

Financial Assistance for Students Struggling Economically or Who Need Additional Support Due to Educational Disadvantages.

Tuition Assistance

The Legislature's support of New York's Tuition Assistance Program in this year's budget can have a very meaningful impact on students across the State seeking a quality, affordable education. New York has long recognized the importance of supporting immigrant students, including funding programs to support English Language Learners and college readiness programs. Currently, only 5-10 percent of undocumented high school graduates pursue a college degree. The Office of the State Comptroller estimates that 8,300 undocumented students attended public higher educational institutions in 2012.⁸ In 2002, then-Governor Pataki and the Legislature agreed to grant undocumented students access to in-State tuition rates.⁹ Moreover, in most instances these college-ready students have gone through the State's K-12 educational system—representing a significant investment the State has already made in their education.

The governor took a positive step toward fixing an outdated financial aid program by including funding to cover the financial assistance tuition needs of college students who are undocumented immigrants. This proposal would enable undocumented students who have graduated from New York public high schools to be eligible for State financial aid, essentially an expansion of the TAP program to otherwise eligible college students so that they are able to get needed aid. We urge support.

Furthermore, TAP should cover more of the cost of tuition for those who qualify, and be flexible enough to meet the needs of all types of New Yorkers, not just the "traditional" straight-from-high-school-to-college full-time student that it was initially designed to serve. Unfortunately, the Executive Budget does not propose these changes to TAP.

- NYPIRG urges the Legislature to support TAP aid for college students who are undocumented immigrants. NYPIRG urges additional reforms to TAP including: expansion to part-time students and graduate students, and increasing the income threshold.

Food Insecurity

A recent report by the College and University Food Bank Alliance, National Student Campaign Against Hunger and Homelessness, Student Government Resource Center, and the State Public Interest Research Groups looked at food insecurity on campus, and how that may undermine the

⁸ New York State, Office of the State Comptroller, "New York State DREAM Act," May 2013, see: <http://www.osc.State.ny.us/osdc/rpt1-2014.pdf>.

⁹ See New York State S.7784/A.9612, see: <http://assembly.ny.gov/leg/?sh=printbill&bn=A09612&term=2001>.

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educational success of untold thousands of students.¹⁰ Consistent with prior studies, 48 percent of respondents reported food insecurity in the previous 30 days.

Taking a closer look at the approximately 1,800 students who reported experiencing food insecurity, those students also often reported suffering from housing insecurity, such as difficulty paying the rent, mortgage, or utility bills. Thirty-two percent believed that hunger or housing problems had an impact on their education, from forgoing textbook purchases, to missing or dropping classes. Students that are hungry and homeless must get the services they need. The State should examine ways to provide resources that reduce and eliminate college student food and housing insecurity.

- NYPIRG urges that the Legislature includes monies in the budget to allow public and independent colleges and universities to develop recommendations on how best to tackle the problems of college students who suffer from food and housing insecurities.

Opportunity Programs

Opportunity programs, such as the Educational Opportunity Program and Higher Education Opportunity Program (EOP and HEOP), the Search for Education, Elevation, and Knowledge (SEEK) program, and Accelerated Study in Associate Programs (ASAP) are designed for the educationally and economically disadvantaged. These programs have a steady track record of success in increasing graduation rates among the most at-risk students. Students involved in the nationally recognized ASAP program graduate at more than double the rate of non-ASAP students, with increases in graduation rates after three years of at least 30 percent.¹¹

In general, students in opportunity programs come from low-income communities and often rank low on traditional measures of collegiate admissions standards, such as SAT scores, high school GPA, and class standing. These programs are allowing students of color and low-income students a chance to improve their quality of life. Their success is bolstered from not only providing resources like academic counseling, but in cases like ASAP, money for textbooks, tuition and transportation. Programs known to be widely successful, and in many cases the only opportunity for many students to pursue higher education, must be adequately funded by the government. NYPIRG strongly urges the Legislature to take steps towards expanding funding to these opportunity programs.

Many students are eligible for public benefits that could help them make it through college and finish their degree. The “Single Stop” program provides an essential service in helping connect students to the millions of dollars in public benefits that they are eligible for including; housing, SNAP benefits, health insurance, tax preparation and financial counseling.¹² Single Stop has received national recognition for its tremendous success and should be expanded to all CUNY and SUNY campuses to meet the needs of all students.¹³

¹⁰ NYPIRG, *Hunger on Campus, The Challenge of Food Insecurity for College Students*, October 2016, http://www.nypirgstudents.org/reports/Hunger_on_Campus_NYPIRG.pdf, accessed November 30, 2016.

¹¹ The City University of New York, *Significant Increases in Associate Degree Graduation Rates: CUNY Accelerated Study in Associate Programs (ASAP)*, (June 1, 2016) http://www1.cuny.edu/sites/asap/wp-content/uploads/sites/8/2016/06/ASAP_Program_Overview_Web.pdf.

¹² The City University of New York, BMCC, *Single Stop*, <http://www.bmcc.cuny.edu/singlestop/>.

¹³ The City University of New York, Vice Chancellor for Student Affairs, *March 7, 2011*, <http://www.cuny.edu/about/administration/offices/sa/specialprograms/SingleStopCCI/SingleStopInnovationAward.pdf>.

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- NYPIRG urges that the Legislature ensure that the final budget include increases for these important programs to at least cover the costs of inflation.
- NYPIRG urges that the Legislature restores funding for the ASAP program, which provides critical relief for students that goes beyond tuition.

In conclusion, rising tuition and other costs, eroding State support, outdated and inadequate financial aid, and growing student loan debt all conspire to undermine quality and put college out of reach for too many New Yorkers. The demand to graduate more students from college with less student loan debt should result in policies that both decrease tuition and increase State support to institutions of higher education, as well as funding to financial aid programs such as TAP. In order to provide a quality and affordable higher education for all New Yorkers the State must commit itself to increasing public funding.

Thank you.