



# Testimony

to the  
**Senate Finance Committee**  
and  
**Assembly Ways and Means Committee**  
on the  
**Proposed 2012-13 Executive Budget**  
for  
**Higher Education**  
**February 1, 2012**

*Prepared by:*

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**Representing more than 600,000 professionals in education and health care**  
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*Testimony of  
Andrew Pallotta  
Executive Vice President  
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to the  
Senate Finance Committee  
John DeFrancisco, Chair  
and  
Assembly Ways and Means Committee  
Herman D. Farrell, Jr., Chair  
on the  
Proposed 2012-13 Executive Budget  
for  
Higher Education  
February 1, 2012*

Senator DeFrancisco, Assemblyman Farrell, honorable members of the Legislature and distinguished staff, I am Andrew Pallotta, Executive Vice President of New York State United Teachers (NYSUT). NYSUT represents more than 600,000 teachers, school-related professionals, academic and professional faculty in higher education, professionals in education, in health care and retirees statewide. My testimony today represents the concerns of 68,000 faculty and professional staff who work in colleges and universities across New York State. These include the members of United University Professions at the State University of New York, the Professional Staff Congress of the City University of New York and the faculty and staff at nearly all the SUNY community colleges in this state.

I am joined today by Dr. Phillip Smith, President of United University Professions (UUP), and by Dr. Barbara Bowen, President of the Professional Staff Congress (PSC). You will hear from both Dr. Smith and Dr. Bowen concerning the 2012-13 Executive Budget in a few moments.

Thank you for convening these public hearings and for the opportunity to testify today.

There is no question that in order for individuals to be marketable and to obtain employment in today's knowledge-based global economy, a college degree is essential. In fact, it is a pre-requisite for most entry level jobs. While the Executive Budget essentially holds year-over-year funding flat for SUNY, CUNY and the community colleges, these institutions have been cut by over \$1.7 billion since 2008. The flat funding for SUNY and CUNY four-year campuses is due in large part to your efforts to secure a state maintenance of effort for these campuses in the final enacted NY-SUNY 2020 legislation. We realize this was no easy task and we thank you. Flat funding however, is not enough and the state needs to make a greater financial commitment to public higher education. President Obama has made funding higher education a priority and in his State of the Union Address he said, "States also need to do their part, by making higher education a higher priority in their budgets." He also went so far as to

warn colleges and universities about rising tuition by stating, “So let me put colleges and universities on notice: If you can’t stop tuition from going up, the funding from taxpayers will go down. Higher education can’t be a luxury – it is an economic imperative that every family in America should be able to afford.”

The President is stating the obvious here and what is only common sense. Common sense also dictates that these drastic cuts to public higher education have a direct negative impact on the quality of education that our students receive.

Diminishing full-time faculty ranks and the overreliance on part-time faculty is taking its toll. Students have seen their class sizes continue to rise while at the same time, course offerings have declined, programs have been eliminated and graduations have been delayed or denied. These situations are all too common within SUNY, CUNY and our community colleges.

At SUNY and CUNY four-year institutions, the state’s focus in recent years has been all about the role these institutions can play in economic development. While NYSUT believes that SUNY and CUNY have a role to play here, it should not be the primary role. The primary role of SUNY and CUNY should be teaching and learning. It’s time to get back to focusing on academics. That is, making sure that we are providing our students with the highest quality education possible. That takes resources and we ask that the state make a commitment to begin replacing state funding to SUNY and CUNY that has been lost in recent years.

Our students have been asked to pay more in tuition and fees, they deserve more. Sadly, the truth of the matter is that students are getting less especially, in recent years. For example, at SUNY Albany, the increase in class size in a 100 level journalism course is necessitating major changes in how the course can be taught. In 2008, the maximum student cap for this class was 35 students, which is high. By 2010, the student cap was raised to 40 students and then raised again this year to 45 students. This year, the university will roll three sections of this class into one big lecture hall of 100 students.

Whereas, the nature of this course demands a great deal of writing from students, it is becoming virtually impossible for writing assignments to be given simply because they cannot be graded on a timely basis and with the level of scrutiny students deserve. In fact, the syllabus for this class used to require students to write four short papers, write a longer mid-term paper, take three to five quizzes and take a written final exam. We are told by our faculty that due to the number of students in this class, there will no longer be any short papers assigned or essay questions on the final exam because it is impossible for faculty to grade their students’ work in one semester. In fact, the mid-term paper might also have to be eliminated and replaced with multiple choice and short answer questions.

The same thing is happening in a 300 level intensive writing course where the student class size cap was 18 and is now 25 students. Ideally, the class size should be 10-12 students to ensure personalized feedback and written critiques of students’ writing skills,

which is mandated by the university. Students in this class are simply not getting the level of attention that is needed and deserved because the size of the class makes it impossible.

These are just two examples of how quality is eroding at our public higher education institutions. As one of our members said to me recently, "I often have to apologize to my students for the size of the classes that I teach." She went on to say, "People tend to talk about how difficult it is for students to get into courses and how graduating on time is more difficult, but nobody talks about how dramatic increases in class sizes are dumbing down what is taught to our students." "Nobody is talking about the reduction of quality in instruction."

Again, we need to re-focus our efforts on academics. We must ensure that the resources the state provides to our public higher education institutions go into the classroom. Precious resources must not be diverted from teaching and learning to private development deals.

Providing our students with a quality education entails having the best and brightest faculty members to teach them. Over the years, we have seen strong academic departments slowly collapse. Tens of thousands of full-time faculty lines have been lost over the last two decades. We must rebuild our academic departments to ensure that our students receive a quality education, get the advisement they need, and get the classes they need to graduate on time. We need to concentrate on ensuring that all qualified applicants are admitted to SUNY and CUNY and are provided the academic programs and services they need to graduate. This can't be done without sufficient numbers of full-time faculty. To that end, NYSUT requests that you provide funding specifically allocated for the hiring of more full-time faculty in this year's state budget.

I would now like to turn my attention our community colleges which are a vital part of our public higher education system. These institutions are the access point, the gateway to higher education for hundreds of thousands of people in this state. That gateway, however, is in jeopardy of closing for too many individuals because of the lack of state resources which is causing tuition to steadily rise. NYSUT is extremely concerned about funding for these campuses. Many qualified students cannot get access to high demand programs such as nursing and other technical fields that lead directly to employment. In addition, with the enactment of the two percent property tax cap, community college budgets across the state will be especially vulnerable to cuts, even more than they have been in the recent past. Local county government finances are facing severe constraints and will most likely be unable to provide the same level of funding for their local share of operating costs to these campuses. Many local sponsors have not lived up to their statutory funding obligation of providing 26.7 percent of net operating costs for these campuses. For example, currently, twelve local sponsors fail to meet their obligation with some sponsors contributing as little as 10 percent.

The state's contribution to these campuses has also fallen short of its 40 percent obligation and has not kept pace with inflation as the chart on the next page illustrates.

## A History of State Funding for Community Colleges

<u>Year</u>	<u>State Aid Rate</u>	<u>Inflation Adjusted</u>
1971-72	\$621	\$3,521
1972-73	\$621	\$3,410
1973-74	\$621	\$3,297
1974-75	\$670	\$3,273
1975-76	\$670	\$2,913
1976-77	\$670	\$2,724
1977-78	\$670	\$2,598
1978-79	\$750	\$2,726
1979-80	\$805	\$2,683
1980-81	\$805	\$2,369
1981-82	\$930	\$2,432
1982-83	\$950	\$2,281
1983-84	\$970	\$2,243
1984-85	\$1,070	\$2,384
1985-86	\$1,250	\$2,679
1986-87	\$1,325	\$2,736
1987-88	\$1,450	\$2,961
1988-89	\$1,525	\$2,982
1989-90	\$1,675	\$3,137
1990-91	\$1,725	\$3,087
1991-92	\$1,680	\$2,834
1992-93	\$1,600	\$2,618
1993-94	\$1,650	\$2,624
1994-95	\$1,800	\$2,786
1995-96	\$1,800	\$2,713
1996-97	\$1,850	\$2,720
1997-98	\$1,900	\$2,704
1998-99	\$2,050	\$2,868
1999-00	\$2,125	\$2,926
2000-01	\$2,250	\$3,017
2001-02	\$2,250	\$2,918
2002-03	\$2,300	\$2,937
2003-04	\$2,300	\$2,869
2004-05	\$2,235	\$2,737
2005-06	\$2,350	\$2,787
2006-07	\$2,525	\$2,895
2007-08	\$2,675	\$2,991
2008-09	\$2,675	\$2,874
2009-10	\$2,545	\$2,732
2010-11	\$2,260	\$2,362
2011-12	\$2,122	\$2,185
2012-13 [B]	\$2,122	\$2,122

The state base aid per full-time equivalent (FTE) student is now lower than the level in 1999-00 and lower than the level in 1971-72 when adjusted for inflation. On average, the state's contribution per FTE student as a percentage of operating costs for these campuses is now under 25 percent. The student share for 2011-12 is now just under 44 percent. Students are now funding over 40 percent of the operating costs of these campuses which is the direct opposite of the intent of the education law.

In fact, to get the state to its statutory share of 40 percent – assuming local share and tuition remain constant, the state would need to provide an additional \$2,486 per FTE student when adjusted for the higher education price index. To get back to the state funding levels of 2008-09, the state would need to provide an additional \$678 per FTE student (based on HEPI).

We appreciate that the Legislature has been instrumental in protecting these institutions from large proposed Executive Budget cuts in recent years. President Obama has recognized the important role these institutions play in local business and industry and has called for more funding to community colleges throughout his presidency. At his recent State of the Union Address he stated, "You need to give more community colleges the resources they need to become community career centers – places that teach people skills that businesses are looking for right now, from data management to high-tech manufacturing."

We are also heartened to hear Speaker Silver call for more funding for these campuses. We urge you to replace the funding that has been lost since 2008-09 in this year's budget so that we can keep these campuses affordable and accessible to students. Some community college tuitions are approaching the tuition levels at SUNY and CUNY four-year institutions and are among the highest in the nation. In fact, the 2011-12 national average for tuition and fees at two-year public colleges is \$2,963 (Trends in Pricing 2011, College Board). The average rate for SUNY resident community college tuitions and fees is now \$3,932. This is 132 percent of the national average. For CUNY, the resident community college tuition and fees rate equals \$3,800 which is over 128 percent of the national average. It is clear, the funding of our community colleges is falling too heavily on the backs of our students. We need to change that.

Another area of great concern is our SUNY hospitals. While we appreciate the efforts the Legislature made last year in making a partial \$60 million restoration in state funding to these institutions, the fact is that these hospitals remain in serious financial jeopardy. SUNY hospitals provide unique life-saving services not typically provided in private hospitals. These include the burn units, trauma care units and poison control. They also serve as a safety net for low-income communities, the uninsured and the underinsured. These patients rely on these hospitals for health care. We urge you to provide more funding to these critical institutions so that they can get off life support and continue to serve the public. Without additional funding this year, SUNY's hospitals will continue to operate under very tenuous financial circumstances.

In fact, SUNY Downstate is in danger of closing. The Medicaid Redesign Team (MRT) Work Group established by the Governor has called for SUNY Downstate to essentially eliminate all its inpatient services and use its recently acquired facility, the Long Island College Hospital (LICH) for these services. This makes absolutely no sense as LICH has a very low utilization rate whereas; the utilization rate at SUNY Downstate is generally high. LICH employs private workers even though it is owned by SUNY. It is abundantly clear that the intent here is to fully privatize SUNY Downstate by eliminating the current services being performed by its public employees at the expense of the residents in Central Brooklyn who rely on SUNY Downstate for their health care. We urge you to stand with us to defeat this privatization scheme and keep SUNY Downstate open and operating at full capacity. You will hear more details from Dr. Smith in a minute about these extremely disturbing developments at SUNY Downstate.

Finally, I want to talk about the Executive Budget proposed Tier VI pension plan. You have heard me state NYSUT's strong opposition to this proposal at the K-12 education hearing last week but I want to expand on those comments in relation to public higher education.

As the Governor stated in his budget address, many of the instructional staff at New York's institutions of higher education participate in the state sponsored annuity program known as the Optional Retirement Plan, or the ORP.

These hard working men and woman are members of NYSUT, either through our affiliated unions, the United University Professions who represent employees at SUNY and the Professional Staff Congress who represent employees at CUNY, or NYSUT SUNY community college locals whose members work at local SUNY community colleges.

The Executive Budget Tier VI proposal guts the state's contributions to the ORP retirement plan and will definitely put SUNY and CUNY at a significant disadvantage in recruiting and retaining quality educators and researchers.

Higher Education is a national market, with professors being courted by institutions from all over the country. With quality professors come research dollars and all the benefits associated with the operation of our nationally recognized institutions of higher learning. Reducing ORP retirement benefits by almost half as proposed by the Executive Budget will make New York a much less attractive place for future professors and researchers and does not mesh with the state's plans to use SUNY, CUNY and community colleges to bolster the economy of our state.

We also strongly disagree that the 401(k) plan the Executive Budget proposes for new K-12 teachers is analogous to the ORP retirement system that is in place for professors and university professionals.

The reason why the majority of higher education faculty choose the ORP is because again, higher education is a national market that is highly competitive with highly

specialized fields of study and the ORP is portable. It is common for higher education faculty to move from college to college across the country in search of career opportunities, specific facilities, research labs and specific curriculum and programs offered by different universities and colleges. The ORP allows these professionals to benefit from a portable plan as they move from university to university. The retirement portability needed by one level of public employee in the education arena however, is not necessarily needed by the next.

K-12 educators and professionals are not likely to move out of state for employment and in fact, are most likely to stay in one school district for their entire career. We strongly oppose this Tier VI proposal in its entirety and urge you to reject it.

In conclusion, we need to make public higher education a priority in this state. That begins with a commitment from the state to begin to provide more funding to start replacing what we have lost over the last four years. The failure to do so will only serve to weaken our ability to compete with other states and other nations in the global economy. We are only fooling ourselves if we think we can continue the trend of disinvestment in public higher education in this state and not suffer real consequences.

Again, thank you for the opportunity to testify today. I will now turn it over to Dr. Smith who will be followed by Dr. Bowen.

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