



The State University
of New York

Joint Legislative Public Hearing

**New York State Assembly Committees on Ways & Means and Higher
Education**

New York State Senate Committees on Finance and Higher Education

2019/20 Executive Budget Testimony

Chancellor Kristina M. Johnson

January 28, 2019

Good morning. I am Dr. Kristina Johnson, the 13th Chancellor of The State University of New York.

I would like to thank Chairpersons Kruger, Weinstein, Stavisky, and Glick; members of the Senate and Assembly; and legislative staff for allowing me this opportunity to share our perspective on Governor Cuomo's proposed Executive Budget.

And I would also like to acknowledge and thank Chairman Carl McCall, our entire SUNY Board of Trustees for their leadership and support, and the great work of my executive leadership team.

I know that you are aware that SUNY is the largest comprehensive system of postsecondary education in the nation, with 64 unique colleges and university campuses. We are made up of community colleges, four-year colleges, graduate and doctoral research centers, medical schools, hospitals, a law school, and a national lab. SUNY serves nearly 1.4 million students, in credit bearing courses, continuing education, and community outreach programs. We stretch from New York City and Long Island up to the North Country, and from the Hudson Valley to Buffalo and Jamestown.

However, SUNY is much more than these facts would indicate. As just one example of what SUNY means to the State of New York, I would like to draw your attention to the work recently done by the SUNY Rockefeller Institute of Government (RIG). In their publication, "The Economic Impact of the State University of New York¹" RIG found that SUNY's benefit to the State is staggering. The total annual economic impact of our 64 campuses alone is \$28 billion, and SUNY supports 179,000 jobs, directly and indirectly, statewide; making us one of the largest employers within the State. Finally, for every State dollar invested, SUNY returns \$8.17, a return on investment of more than 700 percent. This is on top of the significant contributions to research and discovery that SUNY students and faculty are making, contributions that result in \$1.6 billion of externally-sponsored activity each year occurring in New York State. SUNY is

¹ <https://rockinst.org/issue-area/the-economic-impact-of-the-state-university-of-new-york/>

looking to further our impact on the State and improve our ability to serve the educational needs of New Yorkers and thrive in the national online higher education market.

Through the support of Governor Cuomo and the Legislature, New York has a longstanding commitment to increasing access to high quality, public higher education for students, with SUNY contributing by ensuring that more than one-third of the State's college-educated workforce have a degree from the State University, with 55 percent of resident undergraduate students attending SUNY and CUNY tuition free thanks to the Excelsior Scholarship Program, the Tuition Assistance Program (TAP), and institutionally provided scholarships.

Before I continue, I'd like to update you on the initial data from the Excelsior Scholarship and Open Educational Resources (OER) programs. Last year, 16,700 SUNY students received Excelsior Scholarships. The retention rates were *10.3 percent* (7.9 percentage points) higher for Excelsior Scholarship recipients (75.7 percent vs. 67.9 percent) —a positive outcome from the program, which is designed to help students attain a college degree on time, with the least amount of debt. Excelsior students are also 8.6 percent (7.0 percentage points) more likely to complete their attempted credits than non-Excelsior students across SUNY:

- 2.3 percent (2 percentage points) higher at State-operated campuses
- 15.1 percent (11 percentage points) higher at the Community Colleges

Another outcome, which we noted after the first semester of the program, was that freshman taking 15 credits a semester increased by 11 percent. While Excelsior Scholarship has made tuition-free a possibility for more New Yorkers, New York State has also continued its investment to mitigate other costs of attaining a college education. Since the fall of 2017, the State's investment in Open Educational Resources has lowered the costs of textbooks and other academic materials for 155,000 students across 59 campuses by \$16 million.

As in years past, the 2019/20 Executive Budget includes proposals to further educational access with the full implementation of the Excelsior Scholarship Program, and the continuation of

investment in Open Educational Resources at SUNY and CUNY. In addition, SUNY is very grateful for the commitment of the Governor and the Legislature to the DREAM Act. We are proud to be in New York State, where leadership is keeping the American Dream alive through passage of the Senator Jose Peralta DREAM Act to ensure all of our students have access to an excellent and affordable college education, regardless of their citizenship status. This legislation expands access to tuition assistance and scholarships like the historic Excelsior Scholarship to thousands of New Yorkers.

More specifically in the proposed Executive Budget, we are extremely grateful for the investments and opportunities provided by the Governor. This includes the assistance provided by the State for the continuation of the 2017/18 Maintenance of Effort and Predictable Tuition Program, and full support for campus employee benefits at our State-operated campuses. Also, we appreciate the indication that the state will significantly increase its contribution to the local-match needed to secure the full Disproportionate Share Hospital (DSH) reimbursement from the federal government for SUNY's teaching hospitals. This support creates a solid foundation from which SUNY can continue to grow and serve the State of New York.

I am pleased to have the opportunity to have a dialogue about areas of need to continue to assist in SUNY carrying out its mission and motto -- to learn, to search and to serve.

Community Colleges

The first area of focus is the 30 community colleges. These essential institutions, which exist in 60 percent of New York State counties, are the primary local source of educational opportunity and workforce development. With the majority of new jobs being "middle skills jobs" that will be filled by workers educated and trained by community colleges.

New York State support is based on a per FTE (or full time enrollment) student formula, which has increased \$725 or 34 percent since FY 2012, helping SUNY manage enrollment declines. We truly appreciate this much needed support. Moving forward, given the changing State

demographics, the increasing cost of operations and the hedge the Community Colleges give the State against the cyclical nature of the economy, SUNY seeks to work with you to preserve the stability of these community colleges further by modernizing the State funding formula to a more predictable base level.

We are proposing for your consideration a hybrid framework that would set a “floor” for each campus, providing the colleges a level of predictability when planning for their future costs and flexibility to create new programs in response to workforce needs. In addition, SUNY would like to call attention to the increased costs of enrollment and ask that this growth be addressed with a modest increase to the amount currently provided per student FTE.

SUNY’s 30 community colleges will continue to do their part to identify efficiencies in their operations. Further efficiencies for community colleges could be achieved with consortium purchasing of services with State-operated campuses and private higher education institutions.

Hospitals

We are extremely appreciative that the Executive Budget proposes an increase in the local-match provided by the state for the disproportionate share hospital payments for SUNY hospitals. This is an excellent step towards making sure that our three teaching hospitals at Upstate, Downstate, and Stony Brook can continue to treat their 1.3 million patients annually, educate the next generation of health, medical, and biomedical professionals, and meet the challenges of a continually changing healthcare landscape.

In order to allow SUNY hospitals to invest in improved services and programs and better quality of care, SUNY is asking that the State to continue to explore additional ways to provide help to these vital institutions.

Procurement

The procurement flexibility provided to SUNY in 2011 has allowed SUNY and the Construction Fund to achieve efficiencies and relieved strain on the operations of our campuses and hospitals. Added time in closing contracts adds to expenses and makes SUNY less competitive. If a new procurement review process is to be adopted, it is imperative that the 30 day requirement for review proposed in the Executive Budget proposal is enforced.

SUNY maintains the highest degree of integrity in its procurement process, which is continually monitored and audited by OSC. However the fast-evolving world that SUNY as a system of postsecondary education operates in is a reality that must also be considered. Therefore I look forward to working with you all on ensuring that a strict 30 day pre-audit period is part of the final legislation.

Finally, our last two areas of focus involve parts of the SUNY System that you and the State already invest in, but with limited changes could ensure a much larger scale of return.

Capital

The first of these is SUNY's capital and infrastructure needs.

SUNY's State-operated campuses alone account for 40 percent of all state-owned building assets², encompassing nearly 89 million gross square feet of space. Of this, almost 40 percent of our academic facilities are greater than 50 years old. Many of these buildings have not had a major renovation since original construction, meaning that SUNY students are learning, living, and preparing for the workforce in facilities that are aging and in constant need of repair and re-investment. We are grateful for the Executive Budget's investment of \$550 million per year for five years in critical maintenance that will alleviate the growing backlog of these critical

² New York Power Authority. 2013 BuildSmartNY: New York State's Implementation of Executive Order 88. Annual Progress Report, pg. 21

maintenance projects, however SUNY's Capital needs will continue to create a backlog without additional investment.

SUNY looks forward to working with the Governor and the Legislature to consider additional capital funding to the FY20 SUNY Budget. Creating a 21st century infrastructure in science, technology, engineering, arts, and math or STEAM fields requires a robust capital plan. These investments, which are essential for SUNY and the State to remain competitive in student recruitment and faculty retention, include projects such as state of the art STEAM collaborative and flexible learning laboratories and specialized research facilities across the System.

Opportunity, Community College, and University-Wide Programs

Finally, I would like to close with asking for your help in ensuring that the State's recent years of investment in specific programs, the vast majority of which serve the most vulnerable students and communities within the State, remain funded.

One example is the 50 year old Educational Opportunity Program, which currently serves 11,000 undergraduate students across SUNY. Educational Opportunity Centers (EOC) and Advanced Technology Training and Information Networking (ATTAIN) Labs offer skills training and resources for our communities.

Another is our two year old Mental Health Tele-Counseling pilot. Last year, thanks to the advocacy of our SUNY Student Assembly and your support, \$600,000 was provided to support the SUNY Student Tele-counseling Network, which is providing expert mental health care and counseling services to eight campuses, which we aim to expand across the System.

SUNY's Community colleges provide day care for 1,500 children statewide, and SUNY's Small Business Development Centers (SBDC) support 20,000 local businesses annually.

We also ask for your support in funding the Graduate Diversity Fellowship program. We appreciate that the Legislature has always acted to provide funding for these critical programs.

It is a privilege to come before you on behalf of The State University of New York, and I look forward to working with all of you during the upcoming legislative session.

My colleagues and I are happy to take your questions.