



Testimony

to the
Senate Finance Committee
and
Assembly Ways and Means Committee
on the
Proposed 2015-16 Executive Budget
for
Higher Education
February 10, 2015

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Representing more than 600,000 professionals in education and health care
Affiliated with the AFT – NEA – AFL-CIO

***Testimony of
Andrew Pallotta
Executive Vice President
New York State United Teachers
to the
Senate Finance Committee
John DeFrancisco, Chair
and
Assembly Ways and Means Committee
Herman D. Farrell, Jr., Chair
on the
Proposed 2015-16 Executive Budget
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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.

Thank you for the opportunity to testify today on the proposed 2015-16 Executive Budget for Higher Education. My testimony represents the concerns of over 75,000 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. Frederick Kowal, President of United University Professions (UUP), and by Dr. Barbara Bowen, President of the Professional Staff Congress (PSC). You will hear from both Dr. Kowal and Dr. Bowen in a few moments.

Let me begin by suggesting that everyone in this room would acknowledge that, in today's job market, a college degree is a prerequisite for most employers. I also contend that SUNY and CUNY are, literally, the only options for hundreds of thousands of students to obtain this prerequisite. Yet, unfortunately, the state perpetually underfunds these institutions and the

governor's 2015-16 budget proposal continues this disturbing course of action. Our students are paying the price for the state's lack of adequate investment in their education both literally and qualitatively. They are literally paying more every year and getting nothing more from the state which directly affects the quality of their education. This is unfair to our students and makes absolutely no sense. The consistent lack of adequate state resources has put our public colleges and universities under intense pressure to eliminate programs and courses, erode quality and slash opportunities for students in need. We know that public higher education's mission of teaching, research and health care is the key to a bright future for all New Yorkers and for our state's overall economic success. The ability for SUNY and CUNY to fulfill that mission however, gets more difficult every year because of austerity funding from the state.

We cannot continue to ignore the fact that we have had little, if any, real investment in public higher education in this state for quite a long time. This year, unlike in recent years, the state has the resources to make a significant investment in public higher education. To that end, we are requesting that the state provide an aggregate increase of \$344.5 million in base funding this year to SUNY, CUNY and their community colleges. This includes a \$226.1 million increase for the SUNY system (state-operated campuses and community colleges) and a \$118.4 million increase for the CUNY system (senior and community colleges). The majority of this funding is to cover mandatory costs. In addition, we request \$250 million in one-time funding from the state's recent \$5.4 billion settlement to be used for a full-time faculty and staff Excelsior Excellence Fund (endowment).

SUNY and CUNY Four-Year Campus – State Maintenance of Effort Funding

To achieve this, we obviously need your help as the governor proposes to short-change public higher education again this year. The 2015-16 Executive Budget holds SUNY's and CUNY's core instructional budgets flat from last year's level of funding. This is the fourth straight year the governor has proposed this inadequate funding level. The only increased funding in SUNY's and CUNY's state operations budget is a small amount for an ill-conceived pay for performance proposal, which I will discuss in a few moments. It is also important to note here that flat funding equates to a cut as mandatory costs increase from year to year. Moreover, we should be mindful

that the flat funding in recent years was preceded by two years of draconian cuts during the Great Recession.

It's time for the state to pay its fair share in funding public higher education. Unfortunately, students are funding the increases in SUNY's and CUNY's budgets through annual tuition increases. Much of that funding is going to pay for mandatory costs of the universities. The revenue from annual tuition increases that were authorized with the enactment of NY-SUNY 2020 were supposed to be invested in student academic programs, services and faculty. While some minor gains have been made in hiring some faculty, this promise to our students has largely not been kept. The main reason for this is the current statutory definition of the state's maintenance of effort for funding to SUNY and CUNY four-year campuses.

We know how difficult it was to get the current provision enacted. It was your persistent advocacy that made it possible to have one at all. For that, our students and our members are extremely grateful. It's clear, however, that the current maintenance of effort definition is not sufficient. The current definition only requires the state to provide the same level of funding and fringe benefits of the prior state fiscal year. This current definition falls far short of ensuring that the state pays its fair share in funding SUNY and CUNY. My colleagues, Dr. Kowal and Dr. Bowen, will provide you with specific details regarding the state's current share of funding for SUNY and CUNY in a few minutes.

NYSUT, UUP and the PSC are calling on the state to address the lack of a meaningful maintenance of effort provision in this year's budget. This issue is too important and has had too much of a negative impact on our students to wait any longer. Specifically, we are asking that the governor and Legislature modify the maintenance of effort definition to include mandatory costs (collective bargaining, energy and other inflationary costs), the SUNY hospitals and enrollment growth – none of which are part of the current inadequate definition. We cannot expect our public universities to provide the quality education that our students deserve on the same level of state funding year after year. It is wrong to charge students more tuition every year only to have it go towards paying day-to-day operational costs that the state, at a minimum, should be paying. This situation is occurring while enrollments are rising; class offerings are

being diminished; class sizes are ballooning; student advisement is hard to come by; and full-time faculty are scarce. We must keep the promise made to our students that yearly tuition increases would go to enhance the quality of their education. We urge you to address this extremely important issue now.

Community Colleges – Increase Base Aid by \$250 per FTE Student

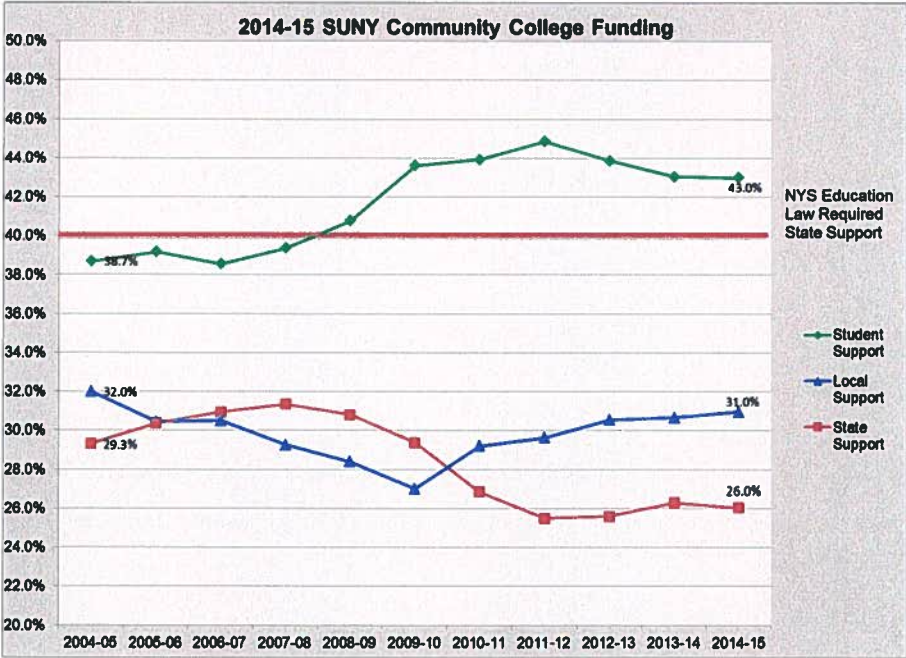
With respect to our community colleges, I want to first thank the members of the Legislature for all your efforts in supporting these campuses. I thank you for the state base aid increases you have provided to community colleges over the last few years. You obviously know how important these campuses are to our state's public higher education systems. Our members are upset and rightfully so, at the governor's insensitive comments he made about community colleges during his State of the State/budget presentation. The governor ignored the great work our members do every day in educating their students in community colleges across this state. Our members provide their students with a great education, notwithstanding the fact that their campuses are underfunded by the state. The governor claims that these campuses are not preparing students for the workforce. We disagree. Since their inception, our community colleges have provided a high-quality education that has prepared our students for entering the workforce. Community colleges have been working with local businesses and industry for decades to tailor courses and skills to industry needs. Every year, thousands of students graduate from a community college and go directly into the workforce. These campuses have historically played an instrumental role in providing local industry with a highly skilled and trained workforce.

Over one million degrees have been awarded from community colleges in this state. Students graduating from these campuses leave with a well-rounded education that enables them to think critically and analytically. They are equipped to enter the workforce or to continue their education at a four-year college or university.

The governor also believes that the tuition at community colleges is too expensive. We agree.

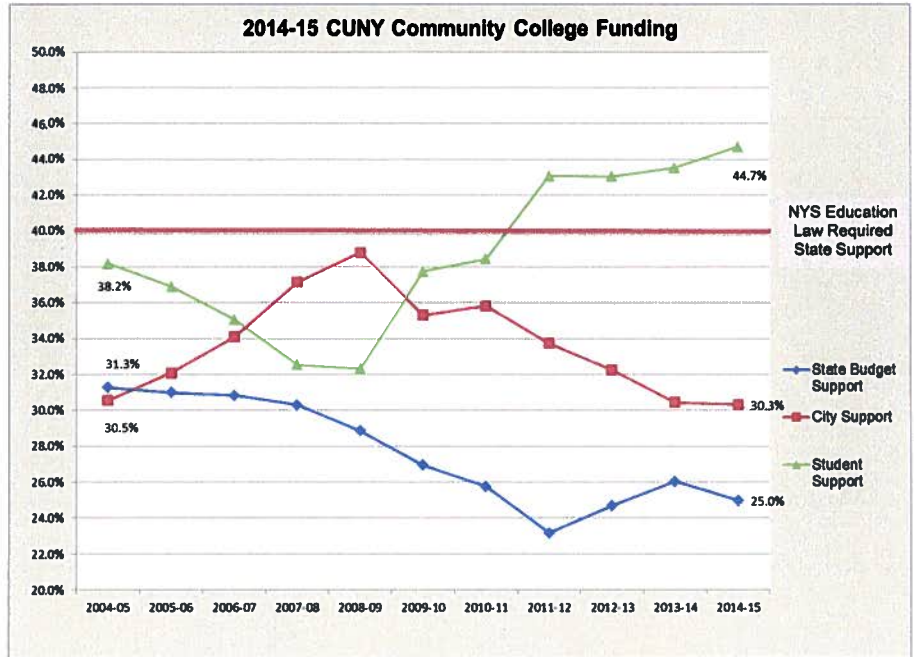
The reason why tuition has steadily increased over the years is because the state has not paid its fair share in funding these campuses. Yet, the governor proposes flat funding again this year. State education law stipulates that the state shall pay 40 percent of the operating costs of these campuses, however, the state is far from this 40 percent mark. In fact, notwithstanding the provisions of the education law, the state has never achieved a 40 percent share.

As the charts below illustrate, both SUNY and CUNY community college students are paying the lion’s share of operating costs of these campuses. In fact, over the ten-year period from 2004-05 to 2014-15, SUNY community college students went from paying 38.7 percent of the operating costs to 43 percent. At the same time, the state’s contribution for these costs went from 29.3 percent to 26 percent with the local sponsor’s share remaining fairly constant at 32 percent and 31 percent, respectively.



When you look at CUNY’s community colleges during the same time period, we see a similar story. The student share went up from 38.2 percent to 44.7 percent while the state share went

down from 31.3 percent to 25 percent. The local share has remained relatively constant going from 30.5 percent to 30.3 percent.



Notwithstanding your efforts in recent years, we are still far below 2008-09 state funding levels for these campuses. We ask that you reject the governor’s flat funding proposal. NYSUT supports SUNY’s and CUNY’s budget request of a \$250 per full-time equivalent (FTE) student base aid increase. This allocation would bring community college funding \$72 per FTE student above the funding level of 2008-09, the start of the recession. There are state resources available and we urge you to provide this funding.

Performance-Based Funding

We also ask that you reject the governor’s performance-based funding scheme that tries to obviate the fact that public higher education is grossly underfunded. The governor has proposed to withhold 10 percent of all SUNY and CUNY state campus allocations – including community college campus allocations, if such campuses do not submit and obtain approval of a performance improvement plan by December 31, 2015. This plan would serve as the basis for future performance funding allocations. Each plan must include the following:

- criteria to improve access, completion, academic and post-graduation success, research, and community engagement;
- experiential learning as a graduation requirement;
- a master researcher program in partnership with the university's research foundation to pay bonuses to successful professors who generate the greatest research and development and commercialization opportunities; and
- financial incentives for campus presidents who demonstrate commercial success through the StartUp NY program.

First, we strongly believe it is wrong for the state to threaten to withhold funds from campuses when the state is not adequately funding them to begin with. Second, we have major concerns with the criteria that must be met for the performance improvement plans. Requiring post-graduation success is an ambiguous and unfair standard. If a student doesn't get a job, through no fault of his or her own, the state will withhold funds? Moreover, experiential learning as a graduation requirement is not workable in all academic disciplines. If you are an English major, what guarantees or chances do you have for getting an internship or other experiential learning? As noted before, we strongly believe that state funding allocated to SUNY and CUNY should be used, first and foremost, to educate students in the classroom. Providing financial incentives for campus presidents for giving away campus space or land to businesses through the StartUpNY program is highly inappropriate.

Moreover, this proposal provides "seed" money for the program that is inadequate. SUNY Systems Administration is allocated an \$18 million increase. This amount is offset by the governor's proposed cut of \$7.6 million to SUNY administration, which leaves them with a total increase of \$10.4 million. CUNY is afforded a \$12 million increase to their administration budget. This increase is further eroded with the requirement that community regional councils be created and that SUNY and CUNY develop back office consolidation plans.

NYSUT strongly opposes the development of community college councils as outlined in the 2015-16 Executive Budget. These councils violate academic freedom by inappropriately dictating curriculum which has long been the purview of faculty. Our community colleges should not be turned into just short-term placement centers, they are educational institutions. Our

students should be afforded the full spectrum of educational disciplines and programs. In addition, consolidating SUNY and CUNY back office operations is not workable or advisable.

Performance-based funding is not a new idea and it will not address SUNY's and CUNY's funding problems. Other states have implemented performance-based measures with little if any success. In fact, results have shown that these policies are ineffective at best. At their worst, they have had negative effects on student performance. Fourteen states have already abandoned their programs and numerous studies have found no academic benefit has been provided to students.

This proposal should not be implemented. We urge you to do everything you can to stop it. It is nothing more than a smoke screen to dis-invest in our public higher education institutions. Dr. Kowal and Dr. Bowen will provide more information on this issue in their testimony.

Full-Time Faculty and Staff – The Excelsior Excellence Fund

Last year, we introduced the concept of creating a state endowment fund that would enable SUNY, CUNY and their community colleges to hire much needed additional full-time faculty and staff. While this is certainly not a new idea, it is an important one that we believe has a great deal of merit. NYSUT and our higher education affiliates believe strongly that the creation of this fund is crucial in preserving and enhancing the quality of education that our students receive. The inadequate level of state funding and the overreliance on tuition to fund our public higher education institutions over the last three decades has had a dramatic impact on our full-time faculty to part-time faculty ratios. While we have made modest gains in recent years the overall declining cadre of full-time tenure track faculty is concerning to us and should be to everyone in this room.

The percentage of full-time faculty at SUNY's state-operated campuses (2014-15) is only 57 percent while 43 percent are part-time. For CUNY senior colleges, the percentage of full-time faculty is 42 while the percentage of part-time faculty is 58. At our community colleges, the percentages are alarming. The percentage of full-time faculty at SUNY community colleges is 28 percent while the part-time percentage is 72 percent. At CUNY community colleges, the percentage of full-time faculty is 41 while the percentage of part-time faculty is 59.

The simple truth is that the percentage of full-time faculty employed at a college or university is in direct correlation with the level of academic quality that the college or university provides to its students. We have great faculty, both full-time and part-time, at our public higher education institutions. The fact of the matter is we have also lost a lot of great faculty to other universities across this country. If our state is going to be competitive economically, it is imperative that we re-build our academic departments at both SUNY and CUNY. If we are serious about revitalizing regional economies across the state, we need to invest in intellectual capital. In the new economy, innovative and high-tech businesses are locating around colleges and universities that employ the best and brightest faculty. Moreover, attracting and retaining the best and brightest scholars entails competing not only against other colleges and universities across the country, but against higher education institutions across the world. We have had some good success in the area of nanotechnology where the state has made a huge investment. We are not, however, currently in a good position to compete for the best faculty in other disciplines due to the lack of state resources.

The fact is annual tuition increases are not an adequate source of revenue to enhance full-time faculty and professional staff lines. An endowment provides long-term financial stability in providing the annual resources needed to enhance our academic departments. It's time we took a proactive approach to preserving and enhancing quality in SUNY and CUNY. Other state university systems have significant endowments which puts them at a distinct advantage over our state.

We have a unique opportunity to make this a reality this year. Our state recently received a \$5.4 billion windfall as part of a national court settlement with the banking industry. This is one-time, non-recurring state revenue. An endowment is an ideal investment for this type of revenue and is a smart investment for our state to make. We ask that \$250 million, which is a small portion of this windfall, be allocated to our proposed endowment that we are calling the Excelsior Excellence Fund. Assuming an 8 percent annual return on investment, the endowment would generate \$20 million in interest the first year. This would be a good starting point and this amount would grow over time.

Again, if we are serious about preserving and enhancing our intellectual capital, we can't afford to miss this opportunity. We urge you to create this endowment this year.

SUNY Hospitals

I would now like to talk about the SUNY hospitals. I want to thank the Legislature for again coming to the rescue last year and restoring the funding that was cut by the governor in his budget proposal. Unfortunately, the 2015-16 Executive Budget cuts the SUNY hospitals by \$19 million which is the restoration you made last year. This cut seems to ignore that the state has a responsibility to at least partially compensate the hospitals for their service to indigent populations and to help pay for the unique life-saving services they offer which are not typically provided in private hospitals. These include burn units, trauma care units and poison control. These hospitals 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 ask that the state make a financial commitment to these hospitals to ensure their survival. To that end, we are requesting that you provide \$59 million in additional funding to these hospitals in this year's budget. This will restore their funding level back to the 2010-11 SFY level of \$128 million. We cannot expect these hospitals to continue to operate and provide services to the indigent on their current level of funding. Our members working in these hospitals dedicate their lives to serving others in need. It is wrong for the state to use these public hospitals as pawns to draw down federal Medicaid funding and then cut them to the bone.

We are also very concerned that the 2015-16 Executive Budget again advances Article VII language to provide for a pilot program to assist in restructuring health care delivery systems by authorizing for profit capital investment in health care facilities. This legislation allows for the establishment of up to five business corporations, one of which must affiliate with an academic medical institution or teaching hospital (this could be a SUNY hospital). It also authorizes these corporations to own and operate hospitals, as well as other health care facilities.

NYSUT strongly opposes this proposal which if enacted, could set the stage for the closure, or at the very least, the privatization of our SUNY hospitals. This cannot be allowed to happen.

Moreover, we know from the experiences of neighboring states that for-profit ownership and operation of hospitals has not worked. Massachusetts is the site of the largest experiment in private equity backing to acquire non-profit hospitals. Beginning in 2010, the “Steward” Hospital Corporation (backed by politically active private equity fund Cerberus) acquired the six hospitals of Caritas Christi, previously owned by the Archdiocese of Boston, and four other not-for-profit hospitals, for a total “chain” of ten acute care hospitals and one longer-term facility.

Since 2010, transparency on Steward’s activities has been limited at best. Thanks in large part to an investigation by the Massachusetts Nurses Association (www.mnastewardproject.org) we know that Steward has placed a considerable amount of debt on the books of its hospitals in order to make payments to its investors. It reduced staff considerably in its hospitals and has had continued conflicts with labor. Moreover, while it controlled 14 percent of the acute inpatient general care hospital beds in the Commonwealth of Massachusetts, it was responsible for 29 percent of the complaints to Medicare and to the state agency responsible for investigating such complaints. In addition to the deterioration of staffing and the prevalence of complaints, the Steward hospitals also experienced poor financial performance, worse than they had experienced prior to their acquisition and conversion.

In fact, things got even worse in 2014 when Steward closed Quincy Medical Center without explanation, despite promising to keep it open and to make investments in the medical center. Quincy had operated for 124 years. The following promises were made by Steward with respect to Quincy Medical Center and none of which were kept:

- maintain an acute care hospital for ten years;
- pay \$35 - \$38 million toward Quincy Medical Center’s outstanding debt; and
- provide \$44 - \$54 million in facility upgrades.

In New Jersey, the experience has not been any better as the state has been stuck with debt from converted hospitals by new for-profit owners who have voided long-standing managed care contracts. This has rendered patients instantly “out-of-network” with their local hospital. In addition, patient care has experienced increased problems that have not been addressed.

In Connecticut, Tenet, the for-profit hospital chain from Texas, abandoned its plan to buy five hospitals in a joint-venture when they learned that they would be required to provide for the continuation of existing hospital services, charity care and typical responsibilities of non-profit hospitals. This exemplifies that for-profit companies will always put their bottom lines before providing quality health care treatment for the patients that they serve.

That is precisely why New York state has always maintained a system of public and non-profit hospitals. For-profit hospitals are wrong for patients, wrong for health care workers and wrong for New York. We urge you to reject this bad proposal again this year.

I want to now turn to the ongoing problems we are experiencing with SUNY Downstate Medical Center. We all know the value of this institution so I'm not going to reiterate it here today. I want to thank you for your heroic efforts over the last two years in supporting this great hospital. Without your efforts, there is no doubt that it would have closed.

This year, the executive budget provides \$700 million in new capital funding to stabilize the health care delivery system in Kings County. The funds may be used for renovating or replacing inefficient or outdated facilities as part of a merger, consolidation, acquisition or other significant corporate restructuring activity intended to create a financially sustainable system of care that promotes a patient-centered model of health care delivery aimed at improving the overall health and well-being of a community.

It has been widely reported that there are plans to use this \$700 million to build a new hospital in Brooklyn. We believe that to use this money for this purpose would very likely have serious negative consequences for SUNY Downstate and other Brooklyn hospitals. We believe that establishing up to 14 new ambulatory care centers across Brooklyn would be a much better use of this funding. The residents of Brooklyn do not need another hospital. What they do need is access to primary care that these centers would provide. They would, "create a financially sustainable system of care that promotes a patient-centered model of health care delivery aimed at improving the overall health and well-being of the Brooklyn community."

We urge you to enact our *Brooklyn Safety Net Hospital Plan* which lays out this concept we introduced last year and have developed with UUP and other unions to address the hospital crisis in Brooklyn. We believe that this plan is the only one that is a win-win for all the hospitals in Brooklyn.

NYSUT is also very concerned about how this \$700 million is to be awarded. According to the appropriation language, "Funding will be awarded in the discretion of the commissioner of health, without a competitive bid or request for proposal process ..." This language constitutes a total overreach by the governor and is completely inappropriate. If enacted, the commissioner of health will be authorized to dole out \$700 million to whomever he pleases without any standards or transparency. This appropriation authority is contrary to how the state is supposed to award public dollars and ignores the ethical discussions that are currently taking place within the halls of the New York state Capitol.

Unfortunately, we realize that there is little that you can do as you are constrained by a recent court case which prohibits you from changing the language of an executive budget appropriation. Notwithstanding this reality, we urge you to reject the enactment of this appropriation in its current form.

Assault on Teacher Preparation Programs

The governor has advanced legislation, as part of his education reform agenda, which would provide new penalties for teacher preparation programs. The proposal would deregister any teacher preparation programs where 50 percent of the students have failed a teacher certification program for three consecutive years. This proposal, coupled with new State Education Department (SED) requirements for teacher prep programs, would set SUNY/CUNY programs and their students up for failure.

SED has completely botched the implementation of these new certification requirements (this is analogous to their handling of the Common Core) and refuses to address serious content problems. In addition, these penalties may be unfairly assessed based on SED's inaccurate test results data. NYSUT urges you to reject this unfair proposal. My colleagues will provide more details about this issue momentarily.

Student Financial Aid and Opportunity Programs

NYSUT urges the Legislature to continue to invest in student opportunity programs that provide greater student access and remediation for students in need. We urge you to restore the funding cut to student opportunity programs in the 2015-16 Executive Budget.

We also support updating the 40-year old Tuition Assistance Program. This wonderful program has afforded so many students the ability to obtain a higher education in this state but it needs to be updated. Too many students are now excluded from or underserved by the current program. A great way to start reforming this program is to enact the NY Dream Act, which is part of the executive budget. This proposal stands on its own merit and should be linked to a tax giveaway scheme for the wealthy which is nothing more than a back door voucher plan for private schools.

Conclusion

In conclusion, as I have already articulated, we ask that you provide long overdue increased funding to our campuses and hospitals. It is also extremely important to us that you address the definition of the state's maintenance of effort to SUNY and CUNY four-year campuses and that you enact the endowment fund. Finally, we strongly urge you to reject the governor's performance-based funding scheme.

Of course, the final level of funding for public higher education in this year's enacted budget all depends upon the higher education table target. In recent years it has been low, which has not afforded you the opportunity to fund SUNY and CUNY at the level that these institutions and their students deserve. This year presents you with a real opportunity to change the funding situation of these campuses. NYSUT urges you to set a high table target that will enable you to make a real and meaningful investment in public higher education.

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

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UNITED UNIVERSITY PROFESSIONS

Testimony on the 2015-16 Executive Budget

Presented To:

Senator John A. DeFrancisco, Chair
Senate Finance Committee

and

Assemblyman Herman D. Farrell Jr., Chair
Assembly Ways and Means Committee

Presented By:

***Frederick E. Kowal, Ph.D.
President***

2/10/2015



United University Professions

Testimony on the 2015-16 Executive Budget

Chairman DeFrancisco, Chairman Farrell, distinguished members of the Senate Finance and Assembly Ways and Means Committees, thank you for providing United University Professions (UUP) the opportunity to testify today on the SFY 2015-16 Executive Budget for higher education.

I am UUP President Frederick E. Kowal. UUP is the nation's largest higher education union, representing more than 35,000 academic and professional faculty and staff. Our members serve hundreds of thousands of students and patients at State University of New York (SUNY) academic institutions, health sciences centers and public teaching hospitals administered directly by SUNY.

I'd like to begin by thanking you for restoring \$19 million to the public hospital subsidy for SUNY's three teaching hospitals in the state's 2014-15 Enacted Budget. This funding, which is cut from the 2015-16 Executive Budget, is vital for New York's teaching hospitals to provide their communities with quality, accessible health care.

You have our deep appreciation and respect for turning aside the relentless attempts to privatize SUNY's state-operated public hospitals. Your courageous action to reject a pilot proposal to allow for-profit capital investment in our public hospitals over the past two years protected these facilities and the important services they provide.

The challenges we face in the 2015-16 Executive Budget are much more complicated and far-reaching than the past two years. This proposed spending plan directly threatens the quality, access and affordability that must be the hallmarks of public higher education.

The 2015-16 Executive Budget continues a trend of disinvestment in higher education and the governor's newest proposal, performance-based funding, will only continue that trend. His budget also includes cuts to SUNY's successful opportunity programs and to the hospitals' subsidy. And once again, the governor is attempting

to privatize our SUNY hospitals by allowing corporations to own and operate these facilities. Even New York's teacher preparation programs are under attack.

What this proposed budget lacks is opportunity for our students and the thousands of patients we serve daily at our public hospitals. New York deserves far better than this.

PERFORMANCE-BASED FUNDING

The Executive Budget provides a net increase of \$10.4 million in general state support (operating aid) to the State University of New York's (SUNY) state-operated campuses, for a total of \$726 million. This superficial 1 percent increase is far short of what is needed. What's worse is that it is partially tied to the expectation that each campus will develop a performance-based funding program. The governor's agenda promises opportunity for the poorest, but offers a budget allocation system that has the potential to reward SUNY campuses who admit only those students who are the most likely to succeed within a specific time frame.

While budget documents note that \$18 million is appropriated to the SUNY System Administration account for the performance-funding program, this is actually offset by a \$7.6 million cut added in last year's enacted state budget. This means there's only an overall \$10.4 million net increase that can be attributed to the SUNY System Administration appropriation. This increase would be allocated to campuses upon completion of approved performance improvement plans.

Further eroding the impact of this appropriation, a portion of the System Administration's total allocated funds (\$31.8 million) would be used to fund a new initiative, regional community college councils. This initiative will cut into the increase even further. In addition, this appropriation calls for a back-office consolidation plan developed by the chancellors of SUNY and CUNY to be submitted to the director of the budget by Nov. 1, 2015. We must not forget that it was only months ago that the SUNY Board of Trustees voted on a resolution to essentially tax the campuses to help fund an existing financial crisis within System Administration. The campuses cannot afford this tax. The SUNY campuses are at their breaking point; they cannot afford to lose even one dollar of their funding.

The governor's performance-based funding proposal is a market-based accountability scheme that will serve as a mechanism to further avoid adequately funding public higher education. Under this proposal, 10 percent of state funding appropriated to SUNY campuses will be withheld until they submit—and the SUNY Board of Trustees approves—a campus performance improvement plan by year's end. This plan would serve as the basis for future performance funding allocations. Each campus plan must include:

- 1) criteria to improve access, completion, academic and post-graduation success, research and community engagement;
- 2) experiential learning as a requirement for graduation;
- 3) a master researcher program in partnership with the state university research foundation to pay bonuses to successful professors who generate the greatest research and development and commercialization opportunities; and
- 4) financial incentives for campus presidents who provide proven leadership that results in the commercialization of research through the START-UP NY program.

We take issue with this proposal on many fronts. Since 2008, state funding for SUNY state-operated institutions has been cut by nearly 30 percent. And now the funding for these very institutions is being withheld and threatened. Campuses would have to meet certain unknown performance metrics to earn dollars that they have been shorted for the past six years. There is a very real disconnect between New York state's chronic underfunding of our public higher education system and its expectations of high performance. Performance-based funding is not the answer to undo the years of disinvestment that have undermined SUNY campuses from achieving the very goals this proposed performance-based funding scheme aims to achieve.

We are also concerned that the proposed performance funding system, coupled with an Article VII proposal, would call for every single SUNY program to include some experiential learning. The governor's proposal offers no resources to accomplish this and we question how this mandate will work with most liberal arts degrees. For an agenda that is meant to create opportunities, no insight is given as

to how working, single parents, attending college part-time are to complete such a task or how campuses in more remote locations will be able to accommodate this without imposing costly and impractical travel obligations on their students.

With the lack of clear information and resources for this proposed funding system, we are concerned that New York's performance-funding program could result in:

- a weakening of academic standards;
- a decrease in student diversity (fewer non-traditional, underrepresented and under-resourced students enrolling in SUNY);
- an increase in public-private partnerships that do not necessarily further the campus academic mission or support students' needs; and
- a system of winners and losers.

UUP believes that any incentive program must emphasize access, quality and affordability. However, even with those characteristics, it can only truly be effective if the state provides at least half of SUNY's funding, and agrees to a genuine Maintenance of Effort (MOE). For far too long, the state has depended on students for the bulk of SUNY funding. Students, through tuition and fees, account for approximately 63 percent of SUNY's funding. UUP believes that the state should cover at least half of the funding for SUNY – its fair share. To provide a strong financial foundation, SUNY must be funded by a genuine Maintenance of Effort. An effective MOE will accurately reflect the needs of the University. It will include SUNY's hospitals and cover the unavoidable, inflationary and mandatory annual increases, i.e., basic expenses of its state-operated campuses. It will provide funds to pay for energy costs and the cost of collective bargaining agreements.

Given the parameters of the governor's proposal, the lack of resources and the reality of our underfunded university system, we are concerned that performance-based funding will serve to erode campus autonomy and diminish control over academic programs and curricula. Colleges in other states have experienced these negatives after the implementation of performance-based funding.

In fact, the Policy Studies Journal's 2011 Yearbook contains a review of the research on performance funding. The research concluded that the accountability movement, in terms of performance-funding policies, has largely failed to achieve any real improvement in student outcomes. Washington state saw no benefit from implementing a performance-based funding system for its community colleges. In its January 2015 study, the American Educational Research Association reported that Washington's community colleges showed no "systematic increase in student retention or production of associate degrees."

Another recent analysis, performed by the Annals of the American Academy of Political and Social Science, found that performance funding was generally a failure, with sometimes negative effects. The September 2014 report studied more than 500 public universities in all 50 states during an 18-year span for the "effectiveness of performance funding policies as a mechanism for improving student graduation, persistence, and degree attainment." Their findings stated that "current performance funding policies are not associated with higher levels of student performance and that these policies may contribute to lower performance over a longer period of time."

The same study noted that many of the universities may fail to improve performance because they **lack adequate resources to make those achievements possible**. Findings from this study show that student outcomes are related to "**student profiles, institutional characteristics, and state environments, but are not enhanced by performance funding policies**." In short, results show that these policies are ineffective at best. At worst, they have negative effects on student performance. In addition, performance-based metrics that focus on student completion within prescribed time frames may lead campuses to admit more students with profiles that make them a better bet for quick completion rather than students with less privileged backgrounds. This would negatively impact accessibility and diversity.

In fact, various studies have shown that Florida, South Carolina and Washington closed programs on grounds of efficiency. In Florida, programs that produced few graduates or degrees that did not lead to jobs on Florida's Targeted

Occupations List were closed. Programs with fewer than 10 students were cut unless they were consistent “performance points” sources for other reasons, such as the allied health field—where licensure standards more or less guaranteed job placement (Community College Research Center [CCRC] Working Paper, Dec. 2011).

States have also softened graduation requirements so that students are more likely to graduate—thus generating performance dollars. In Washington, to qualify for “achievement points,” community colleges eliminated requirements that impeded graduation, such as certificate or diploma fees and increased credit requirements for certain shorter occupational certificate programs. Some Florida community colleges eliminated graduation barriers—such as courses that students struggled to pass—to improve graduation rates (CCRC, Dec. 2011).

A perfect example of the failure of performance-based funding comes from Florida. Florida implemented a performance-based funding system that rewards and punishes colleges based on 10 different metrics. One of the colleges punished by the performance-funding system is the New College of Florida, a small public college with only 144 students in its 2014 graduating class. The school has lost about \$1 million in state funding, or about 3.7 percent of its budget since implementation of the performance-based funding system.

The school is successful; many of its students go on to graduate programs in other countries while others take jobs outside of Florida. Yet that success is counted against the college.

Metrics in Florida’s performance-based system reward colleges for students who are immediately employed and those who land jobs with high salaries after graduation. The metric does not account for students who get jobs in another state or go on to earn a graduate degree abroad. It also punishes colleges with a high number of liberal arts and sciences graduates, which in terms of salaries do not tend to jump ahead until 10 years post-graduation. At the New College of Florida, about 10 graduates went abroad to study on scholarships at places like the University of Oxford or joined the Peace Corps. Others took jobs outside of Florida. Many people would consider studying at Oxford or joining the Peace Corps a success. Florida’s performance-based funding system sees it as a failure.

Not surprisingly, the governor's proposal encourages the commercialization of our public university system. What is surprising is how it goes about doing that. It literally offers financial incentives—or bonuses, if you will—to campus presidents who aggressively work to open their campuses to the governor's START-UP NY experiment. This is not an opportunity. Let's call it what it is: it's a bribe for those who already earn the highest salaries in our system.

The goals of graduating more students, improving student success and getting graduates into the workforce—all goals shared by UUP—will not be met through performance-based funding. It doesn't work. It's not the answer.

TEACHER PREP PROGRAMS

In his State of the State address, the governor took aim at New York state's teacher preparation programs, indicating that programs at colleges where students perform poorly on certification exams should be—and would be—closed.

UUP has consistently demonstrated a commitment to high-quality teacher preparation programs. Our members are directly involved in teaching and providing support services for students in those programs. Our work includes supervising student teachers, arranging student teacher placements and other experiential learning activities with P-12 colleagues, collecting and reporting program and student outcomes data and preparing assessments for internal evaluation and external assessment.

The governor's Executive Budget proposal includes teacher education policy changes that would negatively impact students and teacher preparation programs at SUNY and other public and private colleges and universities statewide. The governor's plan is grounded in the New York State Education Department's (NYSED) deeply flawed and poorly implemented new system of teacher certification exams. If enacted, these proposals could lead to a dramatic and irreversible decline in college-based teacher preparation programs, reduce teacher education access and diversity and create an educationally unsound standardization of teacher education curricula. We have strong objections to the following proposals and urge you to oppose them:

- Institution deregistration and suspension

- New mandated admissions requirements for graduate programs
- Re-registration for teachers
- Tenure process changes for new teachers

Institution Deregistration and Suspension. This proposal calls for program closure based on student test scores. It would permit NYSED to deregister and suspend the operation of an institution if for three consecutive years fewer than 50 percent of its students pass each required certification examination they have taken. A deregistered program would cease operations while awaiting the commissioner's decision on their application for re-registration. NYSED would have the authority to accelerate the process of registration reviews for institutions that have "demonstrated poor performance on student outcomes."

This proposal is connected to a highly flawed system of new certification exams/assessments and will lead to decision-making based on flawed data. I will address the exam and data problems more fully below but must begin by pointing out that the governor's plan contains an unsound approach to associating exam scores with teacher education programs. The language of this proposal defines students who have satisfactorily completed an institution's program as those who have met each educational requirement of the program. It includes students who earn a degree and students who complete each education requirement without earning a degree. It will be problematic to count students who do not earn a degree. Such students could be individuals who teacher preparation programs do not recommend for a degree or for teaching certification, yet their scores will be counted against the program. Some certification exam test-takers are not education majors and have not enrolled in or completed the requirements of a formal program in teacher preparation. Others may have only partially completed a program. The inclusion of such test-takers in NYSED's exam data has been a persistent problem. Tying data with such problems to potential program closure is bad policy.

New Admission Requirements for Graduate-Level Teacher Education. This proposal would require graduate-level teacher education programs to adopt selection criteria geared to predicting a candidate's academic success in its program, including, but not limited to, a minimum score on the Graduate Record

Examination (GRE) and/or a substantially equivalent admission examination. To be admitted students would also need to have a cumulative grade point average of 3.0 or higher in the candidate's undergraduate program. One problem with this is that many programs do not require the GRE for educationally sound reasons and there may not be "equivalent admission examinations" that line up with program requirements. Requiring minimum GRE scores (or scores on equivalent exams) will greatly favor wealthy, white students, further limiting the diversity of the state's teaching force. Educators with experience in their fields should determine what entrance requirements are best, rather than creating a one-size-fits-all policy that furthers the business interests of standardized testing companies.

Re-Registration for Teachers. Beginning in the 2015-16 school year, the governor's proposal would require any holder of a teaching certificate in the classroom teaching service, teaching assistant certificate, or educational leadership certificate to re-register their teaching certificate with NYSED every five years. As a condition of re-registration, they would also have to complete a minimum of 100 hours of continuing teacher education. This proposal serves no useful purpose. As many as 175 hours of continuing education are already required. The governor's proposal lowers that requirement and adds a bureaucratic layer with no additional benefit and significant drawbacks. This proposal would impose unnecessary costs on teachers and NYSED.

Tenure Process Changes for New Teachers. The governor's proposal would change the tenure process for all new teachers. It would require that new teachers remain on probation until they receive five consecutive effective or highly effective ratings on the state teacher evaluation system. Failure to achieve one of these two ratings in any one of the five years would re-set the clock. Teachers could be rated effective or highly effective for four years, receive a lower rating in year five and have to start the five-year process over again. This could result in teachers perennially falling short of achieving tenure by administrative design based upon a faulty evaluation system. It could be the de-facto end of teacher tenure, thereby presenting the teaching profession as an unstable career path for young people and

turning the teaching profession in New York state into one that relies on a contingent workforce.

Overarching Issues with the Assault on Teacher Preparation Programs

There are several overarching issues with the data and assumptions that the governor uses to rationalize his policy proposals for teacher preparation programs.

First, the governor's proposals are **based on unfounded assertions** about the state of teacher preparation in New York. The governor has no solid foundation for the persistently negative statements he's made about the quality of college-based teacher preparation programs and the preparedness of their graduates. In fact, there is substantial evidence to indicate that continuous efforts to improve teacher preparation are yielding significant gains. For example, a December 2014 study by the respected journal *Educational Researcher* documented such improvements. It analyzed 25 years of data on the academic ability of teachers in New York state. The study, conducted by a team of education policy researchers from Stanford, the University of Virginia, North Carolina State University and SUNY Albany concluded that the "academic ability of both individuals certified and those entering teaching has steadily increased" since 1999.

SUNY's teacher preparation programs go through a rigorous set of state and national accreditation processes. They are approved by NYSED and nationally accredited by the National Council for Accreditation of Teacher Education (NCATE), the Council for the Accreditation of Educator Preparation (CAEP), or the Teacher Education Accreditation Council (TEAC). SUNY's teacher education graduates are highly respected and dedicated practitioners in teaching and teaching-related jobs in New York state and across the nation. The governor's proposals discount the sound work being done by teacher education professionals. These proposals threaten to derail ongoing progress toward enhancing our programs by asserting that there is a crisis that requires wholesale change by imposing policies that have not undergone appropriate scrutiny by teacher education professionals. If enacted, these policies would threaten the stability and quality of existing college-based programs and discourage many young people from considering a career in teaching.

Second, the governor's proposals are also **based on conclusions drawn from invalid certification exam pass-rate data**. In November 2014, NYSED released institution-specific pass rate information for all four high-stakes requirements for initial teaching certification: the educative Teacher Performance Assessment (edTPA), Academic Literacy Skills Test (ALST), Educating All Students (EAS) exam, and the Content Specialty Tests (CSTs).

NYSED's existing exam pass-rate data are not accurate. NYSED did not verify the data with institutions. Many institutions have reported that test-takers identified with particular programs are not students enrolled in those programs. In addition, when students take the exams more than once, all of their scores are included in the averages rather than their final attempt score. NYSED failed to verify data that the governor is now using as a basis for significant policy changes. Data-driven assessment should not mean driving with bad data.

Third, the edTPA, ALST, and EAS were **imposed on teacher education programs and students without adequate field testing** and through a rushed implementation timeline that did not allow programs to properly prepare students. There are serious content problems with all of these new exams, yet NYSED has turned a deaf ear to teacher education professionals who are pleading to be heard based on their expertise. For example, edTPA handbooks are still under revision. Instructions are changing while students are in the process of completing the edTPA during student teaching semesters. This occurred in Fall 2014 when revisions to instruction handbooks were issued in September, too late for college faculty to help students adjust to new instructions because they were already in the midst of their student teaching assignments. The edTPA involves a very complex process that involves development of a portfolio and videotaping in the classroom. This performance assessment is not ready for prime time, as evidenced by the slow pace other states have adopted to experiment with it, yet New York state has rushed to make it a high-stakes certification requirement. The ALST and EAS are based on the Common Core, yet 2014 and 2015 college graduates have not been taught a Common Core curriculum. Literacy specialists have serious concerns about the content and format of the ALST, and the EAS is testing college students on their

training to educate all K-12 student populations (high-needs, English Language Learners, etc.) before college curricula have fully incorporated new courses for this purpose. Furthermore, there are numerous problems with the computer-based format of these exams that have not been addressed by Pearson, Inc. These concerns and problems are being raised by students and faculty, but the high-stakes nature of these exams, rolled out before they were ready, has subjected a cohort of students to high failure rates that are not reflective of their abilities and do not accurately reflect the quality of the teacher preparation programs in which they are enrolled.

Fourth, policy decisions are based on incomplete employment data.

The governor and NYSED have consistently asserted that New York state is preparing too many teachers. They have used recently posted student employment data to support this claim. One glaring problem is that NYSED's employment data only include employment in New York state public schools. Missing from the data is employment in private schools, schools in other states and teaching-related fields. College and university-based teacher preparation programs prepare students for careers in teaching as well as many other important fields that benefit communities, states and the nation. SUNY's teacher education graduates are gainfully employed as school administrators, special education teachers in non-school settings and program developers for museums, television and radio outlets and other institutions that provide children's programming. They often pursue higher education careers in student affairs and college administration. They may work for private companies that provide education testing services, produce educational materials or publish research. Educators in the arts may employ them as consultants or in performing and visual arts productions. The list goes on and on. To narrowly define teacher preparation program quality in terms of a limited conception of employment for graduates is misguided and unnecessarily damaging.

In sum, the governor's proposals rest on the misguided overreliance on student test scores as valid indicators of teacher preparedness, teacher preparation program quality and faculty performance. Education research documents the importance of a broad range of contextual factors that play a role in developing

high-quality teachers. There is no doubt that advantaged students tend to do better on standardized tests than disadvantaged students and that lower test scores are associated with socioeconomic factors outside of the college program environment. This is no less true for college students taking teacher certification exams than it is for K-12 students. In addition, NYSED's certification test data are highly flawed.

New York state needs to attract highly qualified and dedicated students to the teaching profession. The governor's ill-founded overreach into the education profession is based on invalid assumptions and unsound data. It threatens existing high quality teacher education programs in our state and will discourage students from entering the profession by increasing their costs and robbing them of the prospects of stable careers in teaching.

SUNY HOSPITALS AND HEALTH SCIENCES CENTERS

As with teacher preparation programs, SUNY's hospitals and health sciences centers also face massive challenges in the proposed Executive Budget.

The governor has once again proposed cutting the state subsidy for the SUNY public hospitals, reducing it to nearly half the level it was prior to his taking office in January 2011. The proposed cut would reduce the state hospital's subsidy by \$19 million—a 22 percent reduction—to \$69 million. The governor has attempted to cut the subsidy each year since taking office. So far, he has successfully cut it from its 2010 funding level of \$128 million.

New this year is a nearly \$300 million decrease to the SUNY Hospital Income Reimbursable Account. The reason for this large decrease is unclear. It may be related to the outstanding financial obligations left unpaid after the sale of Long Island College Hospital (LICH). We firmly believe that these outstanding debts should be considered liabilities of the state and that the SUNY hospitals should be held harmless.

Then there's the Article VII language in the Executive Budget, which provides an open invitation for private investors to run not-for-profit hospitals. It creates the potential for up to five private corporations to own and operate public hospitals and other health care facilities. The proposal also requires that one of these businesses

affiliate with an academic medical institution or teaching hospital. The privatization of SUNY's hospitals would be a "fait accompli" if this provision is enacted.

Our public teaching hospitals, medical schools and health sciences centers must remain public. Millions of state residents depend on these facilities for health care, and our public hospitals turn no one away, regardless of their ability to pay. SUNY's three medical schools produce thousands of highly qualified doctors, nurses and medical staff each year. SUNY's medical schools are a pipeline for future doctors and medical professionals to New York City and the rest of the state. New York students account for 85 percent of first-year medical students at SUNY medical schools. Many graduates stay and practice in New York.

I am asking you to do what you did with similar proposals introduced in last year's Executive Budget: Reject them. It is the right thing to do. Thanks to the legislature, our SUNY hospitals and health sciences centers continue to provide quality medical care and education in New York state. We once again ask that the funds be restored and that additional funds be allocated to ensure that SUNY's hospitals remain fully operational public facilities.

For years, SUNY hospitals have been treated unfairly by the state when compared to other state agencies. SUNY hospitals are the only state entities that pay salaries and the fringe benefits costs of their public employees, as well as their own capital project debt service. All other state agencies or entities have these mandatory costs paid by the state through General State Charges.

Now, some of the SUNY hospitals and health sciences centers are faced with increased up-front costs due to their forced involvement in the federal Delivery System Reform Incentive Payment (DSRIP) program. New York state's defined goal for its DSRIP program is to transform the state's health care system by developing primary, preventative and other community-based care for Medicaid patients, which will be measured by a 25 percent reduction in avoidable hospital use (emergency department and hospital beds). There is no blueprint for this project. We do not know what our hospitals will look like at the end of this or how an inpatient services decrease will be offset to avoid a decrease in aid SUNY hospitals provide to the medical schools.

It is also unclear how our patients will access quality public health care at the five-year end point for DSRIP. What we do know is that there is too much at stake to merely hope that there will be adequate medical education and care for these communities once the program ends.

What SUNY's hospitals need is a more comprehensive approach. We need a long-term plan for SUNY's public hospitals.

The governor's budget provides \$700 million, which many have speculated will be used for a new hospital in Brooklyn. A new hospital is not necessary and will not solve the Brooklyn health care crisis. Brooklyn needs to make sure that its hospitals are strong and responsive to the community's health care needs. Using this \$700 million to bolster the outpatient services of Brooklyn's hospitals—especially the development of comprehensive ambulatory care centers—lines up with the state's plans to transform health care. Comprehensive ambulatory care (with diagnostic and treatment resources to handle the bulk of the problems that come to hospitals) is a significant part of the future of hospitals. Brooklyn needs ambulatory care centers with academic service and community components tied to the full-time emergency departments of the Brooklyn hospitals to ensure curriculum continuity and continuity of care for patients.

This is New York's opportunity to take the lead in providing an innovative model for physicians and medical professional training in an ambulatory care setting. Comprehensive ambulatory care is the right setting for medical education of the future (training doctors to work in teams, enlisting the expertise of other health professionals, social workers, therapists and technologists).

In addition to using these funds for ambulatory care centers, the \$700 million also should allow for competitive bidding and a request for proposal process. As currently proposed, the funds would be awarded without this process. To ensure that the funds are used properly, the funding must undergo the proper procedures.

SUNY's public hospitals and health sciences centers provide life-saving health care to thousands of patients each day. In addition to the critical role they play for their communities, they generate revenues—more than \$250 million annually—used for the operating budgets of the state's medical schools. They are revenue

generators for their communities as well. They also contribute to generating federal Graduate Medical Education (GME) funds for New York State. New York state receives approximately \$2 billion in federal GME funding, and without these hospitals the state would lose approximately 30 percent of those funds. Our medical schools and the medical research done in our facilities are invaluable. They must remain public.

STUDENT DEBT RELIEF

We appreciate that the governor recognizes that New York's student debt crisis needs to be addressed. The "New York State Get on Your Feet Loan Forgiveness Program" is the governor's answer to student debt. Starting this year, the state would pay the first two years of student loans, under the federal Pay As You Earn (PAYE) income-based loan payment program, for graduates who live in New York and earn less than \$50,000 yearly.

But it provides little to no help for the more than 2.8 million residents carrying \$73 billion in student debt in New York. It could also force students into lower-paying jobs to qualify.

UUP proposes a SUNY Student Loan Refinancing Program as a long-term solution to student debt. Our proposal would be open to all SUNY graduates with state or federal student loans as of 2008. These graduates must earn an associate or bachelor's degree from a state-operated SUNY school and wait a year after graduating to qualify. The plan also includes a loan forgiveness program for SUNY adjuncts.

UUP is concerned that as proposed, the governor's plan would, at best, provide temporary relief, delay inevitable payments and would encourage voluntary poverty.

Many low-income and working class students cannot afford a college education. That's a fact. Many are forced to take out thousands of dollars in student loans, adding to the highest student debt in U.S. history. This is not right. They may have a chance for higher education, but it is not an equal chance.

It is worse for young people of color. Fifty percent of African-American graduates have student debt that exceeds \$25,000, compared to one-third of white students. Currently, 78 percent of African-American students graduate college with student debt.

EDUCATIONAL OPPORTUNITY PROGRAM

It is because of statistics such as these that New York desperately needs a sincere Opportunity Agenda—or as Fiscal Policy Institute Executive Director Ron Deutsch puts it, a real “shared opportunity” agenda. When the governor cuts \$1.3 million in funding to SUNY’s successful Educational Opportunity Program (which enrolls underprepared and under-resourced students and provides them opportunities for a successful future) in a budget that he calls an “Opportunity Agenda,” it lacks sincerity.

In her State of the University Address, SUNY Chancellor, Nancy Zimpher praised the Educational Opportunity Program (EOP) while pointing out that in 2013, 30,000 students applied for just 2,500 spots. She called for an expansion of the program. We agree. She also said an expansion would cost more money. We agree.

To NOT invest in the expansion of a program that has a proven track record and has served as a model for many other access programs across the country is shortsighted. To attempt to CUT funding from a program such as this is unconscionable. In this economic climate, it is crucial that these programs are properly funded.

There are far better uses for the funds dedicated for the governor’s proposed performance-based funding system, such as broadening and deepening student support programs such as the SUNY EOP.

In addition, the governor proposed that the funds gained from recent legal settlements should be used for infrastructure. I would argue that the evolving economy demands an educated workforce and that investing in public higher education is investing in *human* infrastructure. The settlement funds would be better served if they were invested in an endowment to rebuild the ranks of full-time academics and professionals at SUNY and CUNY. The endowment would provide

adequate instructional resources and support for New York's students. This reinvestment in public colleges and universities will ensure that there is access to public higher education and a productive skilled workforce.

The Executive Budget is a missed opportunity for so many. Yet it provides so many opportunities for profiteers, for corporations looking to use public resources tax-free, and for those who would dismantle the great tradition of an education for the whole person, for all who seek it in our great state.

RECOMMENDATIONS TO THE LEGISLATURE

SUNY cannot continue to provide quality, affordable, accessible education to New York's higher education students without being fully funded. This Executive Budget fails to provide funding necessary to support SUNY's public hospitals and the basic expenses of the University's state-operated campuses. This can be tolerated no longer. The state must provide SUNY with its fair share to fulfill its mission to provide "educational services of the highest quality, with the broadest possible access."

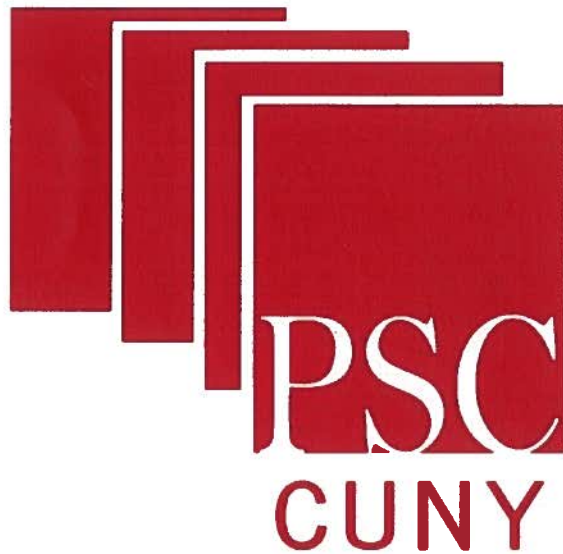
SUNY's hospitals must be allowed to do what they were created to do: provide necessary health care services to millions across the state, many of whom have little or no health insurance coverage. These hospitals were never meant to be turned over to privateers – corporations where profit, and not health care, is of prime concern. In conclusion, UUP asks the Legislature to:

- **Invest in public higher education by:** (1) creating a New York State Public Higher Education Full-Time Faculty and Professional Staff Endowment; (2) increasing state funding for SUNY's operating costs by \$131.4 million; (3) rejecting the performance-based funding proposal; and (4) guaranteeing a genuine Maintenance of Effort that would include SUNY's hospitals and cover unavoidable, inflationary and mandatory annual increases.
- **Protect and enhance SUNY's Health Sciences Centers and hospitals by:** (1) restoring the state hospital subsidy to its former \$128 million SFY 2010-11 funding level; (2) preventing profit-driven corporations from eroding the mission and vital services provided by SUNY public hospitals by removing

the Executive Budget Article VII language that would permit private corporations to affiliate and operate hospitals; and (3) using \$700 million in proposed capital funding for Brooklyn to develop comprehensive ambulatory care facilities.

- **Save our teacher preparation programs by:** (1) rejecting the proposed Article VII language that would permit: the deregistration of New York State's teacher preparation programs, new mandated admissions requirements for graduate programs; re-registration for teachers; and tenure process changes for new teachers; and (2) demanding an independent investigation of problems with New York state's new teacher certification requirements and SED's inaccurate test results data.

Thank you for this opportunity to provide UUP's first perspective regarding the SFY 2015-16 Executive Budget submission.



Testimony

to the New York State Senate Finance Committee

and

the Assembly Ways and Means Committee

on

Executive Budget: The City University of New York, FY 2016

February 10, 2015

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and the CUNY Research Foundation.

TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY

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

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

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

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

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

The promise has not been kept. The State failed to provide a true maintenance of effort, covering mandatory inflationary costs, and as a result, millions of dollars of additional tuition have been needed to plug the holes in the budget. Instead of providing the resources promised for smaller classes and more full-time faculty, the students' new tuition dollars were used to keep the lights on. New York's public university students have been betrayed, and their colleges have been impoverished. Is this what you envisioned when you supported NYSUNY2020?

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

For most of the half-million students enrolled in The City University of New York, CUNY is their only chance for an education that can lead to the kind of life we all want for ourselves. CUNY students are three-quarters people of color; they are more than half from families earning less than \$30,000 a year; they are 40 percent immigrants; and 42 percent of them are working while attending school. They are New York's strivers and New York's hope. They are the next generation in the great story of generations of poor and working-class New Yorkers who built this state. They do not deserve to be betrayed by Albany and deprived of the chance for a college education with lasting value.

The Executive Budget proposes a massive restructuring of State funding for CUNY and SUNY that would cheapen the meaning of college education and degrade its quality. The 2016 Budget proposes to hold hostage ten percent of the State's already inadequate funding to "performance measures" that come with no evidence of enhancing education. As currently proposed, the performance measures would skew college curriculum to the short-term needs of employers and rob our students of the skills and knowledge that have been shown to be the best predictors of lasting success. The result would be less access for students, more pressure for tuition increases, and continuing austerity for CUNY and SUNY.

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

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

The Immediate Need for a Collective Bargaining Agreement

An urgent first step in restoring support for CUNY is funding a new collective bargaining agreement. CUNY faculty and professional staff have not had a contractual raise since 2009. Our salaries, already low in comparison to other comparable institutions, have now become completely non-competitive. At the end of our last contract, the average full professor at Rutgers earned \$141,000 a year; the average full professor at a four-year CUNY college earned \$114,000. The same professor would earn \$170,000 at Columbia and \$176,000 at NYU—both of which frequently vie with CUNY for the same candidates. In a profession in which universities compete nationally for faculty, CUNY is finding it increasingly difficult to recruit and retain the faculty we need.

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

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

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

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

Before outlining the PSC's budget proposals, we wish to thank the Legislature for the critical investments you made for CUNY in the current fiscal year. CUNY has experienced decades of underfunding and recent Executive Budgets have, despite their rhetoric, sought to continue the trend; the students, faculty and staff would be much worse off if not for your support. Last year you delivered these key improvements to the Executive Budget:

- \$75 per-full-time-equivalent increase in Base Aid to community colleges (\$4.6 million for CUNY);
- increases for CUNY's opportunity programs, SEEK (\$600,000) and College Discovery (\$55,000)
- restoration of ASAP's State funding (\$1.7 million);
- State funding for the Joseph Murphy Institute (\$1 million);
- restoration of State funding for campus childcare (\$544,000); and
- small but important adjustments to the Tuition Assistance Program (\$19.8 million Statewide for a \$165 increase in the maximum TAP award and better grants for foster children).

While these restorations and additions are welcome, CUNY's funding by the State continues to be lackluster. During the four years of SUNY 2020, State contributions to the senior colleges, when adjusted for inflation and FTE enrollment, have fallen by 1%. This small decline, however, does not fully reflect the increase in mandatory costs. CUNY fringe costs alone have increased about 9% per year over these four years and State contributions have not covered collective bargaining increases.

While community college Base Aid has increased in real dollar terms (5%), much of the community college increase came over the past three years and made up for steep cuts in community college Base Aid made during the recession. State contributions to community colleges have not returned to pre-recession levels. Tuition contributions have been the major source of new revenue under SUNY 2020 and have had to be used to meet mandatory costs. Finally, TAP has not kept pace with increased tuition costs and the student portion of tuition revenue (tuition minus TAP) has increased steeply for both senior (9.3%) and community colleges (22.5%) during SUNY 2020.

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

Over a 25 year period, State expenditures adjusted for inflation and FTE students are down a third for both senior and community colleges. This means that in real dollars, the State is investing 1/3 less per FTE student. Tuition is up by 100%, but even with this huge influx of resources from students, total resources per FTE student for senior colleges is still 10% below what it was 25 years ago and just about flat for community colleges. Further, the student portion of tuition revenue has increased steeply as TAP has not kept up with rising tuition costs: 94% increase for CUNY senior colleges and 153% increase for CUNY community colleges.

Since the Great Recession, the general pattern of State disinvestment has intensified. The only moderation of this trend is that TAP has fallen just short of keeping up with tuition increases. The increased TAP investment, however, has not meant a significant overall increase in resources per FTE student (for the six-year period since the recession, there has been only a .8% increase in total resources for the senior colleges and a 6.1% for the community colleges). This slight increase in resources per FTE, however, is embedded in a long-term secular trend of State disinvestment.

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

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

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

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

Performance-based funding creates an incentive to enroll a different student-body—a student-body that will generate the “stats” needed to guarantee funding, made up of students who are less likely to come from under resourced NYC schools, who are less likely to be low-income and people of color; bad incentives lead to bad results.

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

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

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

The master researcher bonus proposal fundamentally misunderstands how new knowledge is created and commercialized and the structure and purpose of many colleges. Research discoveries, commercial applications, and new knowledge are basically the outgrowth of long-term infrastructural investments in physical plant and human capacity. The impediments to individual CUNY faculty engaging in research stem largely from a lack of institutional resources and high teaching loads. For example, most community college faculty do not have their own laboratories and must go to other institutions to use colleagues labs. Also, CUNY senior college and community college faculty have crushing teaching loads with overflowing classes and little time left over for engaging in research. What faculty need is more time and resources to do research, not a \$20,000 bonus. START-UP NY includes one CUNY school in each borough: Bronx Community College, City College, Medgar Evers College, York College and the College of Staten Island. It creates tax breaks that diminish much-needed State revenues that could be going to public education, and does so without much conclusive evidence showing that

business tax incentives have an impact on net economic gains to the states. The Campus Performance Improvement Plans required by the Executive Budget include bonuses for college presidents who demonstrate commercial success through STARTUP NY. CUNY's college presidents should be focused on the mission of CUNY: to provide the best quality college education to "the whole people of New York." Such bonuses unacceptably incentivize presidents to short their core job responsibilities to become boosters for the Governor's tax giveaway.

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

The PSC Supports CUNY's Operating and Capital Budget Request

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

Total Restorations and Investments Needed for CUNY **\$118.4 million**

Keep Albany's Promise: Fund CUNY's Mandatory Costs **\$62.9 million**

Legislators voted for five annual \$300 tuition hikes for CUNY under the SUNY2020 law believing that revenue from the increases would go to enhance education, not to offset shortfalls in State funding. Understanding that some students would not be able to afford the higher tuition, that other students' debt loads would increase because of the hikes, and that financial aid does not work for a large portion of today's statewide student body, many legislators struggled with the decision to vote for SUNY 2020.

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

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

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

Increase Community College Base Aid by \$250 per FTE**\$19.5 million**

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

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

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

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

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

Restore FY 2014/15 Legislative Investments in CUNY**\$4.3 million**

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

The White House is pressing for free community college tuition and cites CUNY's Accelerated Study in Associates Programs (ASAP) as a shining example of how increased investment in community colleges (money for smaller classes, more focused advisement, free books and free tuition) can dramatically increase retention and graduation rates. The Governor's Executive Budget eliminates State funding for

ASAP—a program with real results and proposes in its place performance measures which have a bad track record.

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

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

Fund CUNY's Planned Programmatic Increases **\$23.3 million**
CUNY's Budget Request included a \$23.3 million investment from the State to help fund programmatic increases aimed at enhancing academic excellence and student success. If CUNY's mandatory costs are fully funded, CUNY would use the new revenue from the tuition hike and this \$23.3 million from the State to support a series of critical investments including the hiring of 500 new full-time faculty, enhancements to academic advisement, expansions of the CUNY Career Centers to offer more access to experiential learning and wider pipelines to employment students, expansion of CUNY Start, a pre-matriculation program for students with remedial needs, and Single Stop, a program that connects low-income students to the benefits and services they are eligible for.

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

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

Fund TAP Waivers **\$8.4 million**
SUNY 2020 requires that CUNY discount its tuition by the amount which it exceeds the maximum TAP award (currently \$5,165). Requiring CUNY to absorb the difference between the maximum TAP award and tuition for low-income students helps protect access for some (not all) students, but it does so at a price. CUNY loses out on revenue that the University would have received if the maximum TAP award had covered the whole cost of tuition. The Executive Budget requires that CUNY forgo \$8.4 million in tuition revenue for this purpose. CUNY's student body relies more heavily on TAP than SUNY's, so

CUNY is disproportionately affected by the tuition discounting policy. The Coalition to Reform TAP is urging the State to increase the Maximum TAP award to \$6,500, a change that would eliminate the rationale for the TAP waivers. Until that reform is possible, the Legislature should restore the funding for the waivers.

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

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

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

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

Get on Your Feet Loan Forgiveness Program

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

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

Protect Teacher Education

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

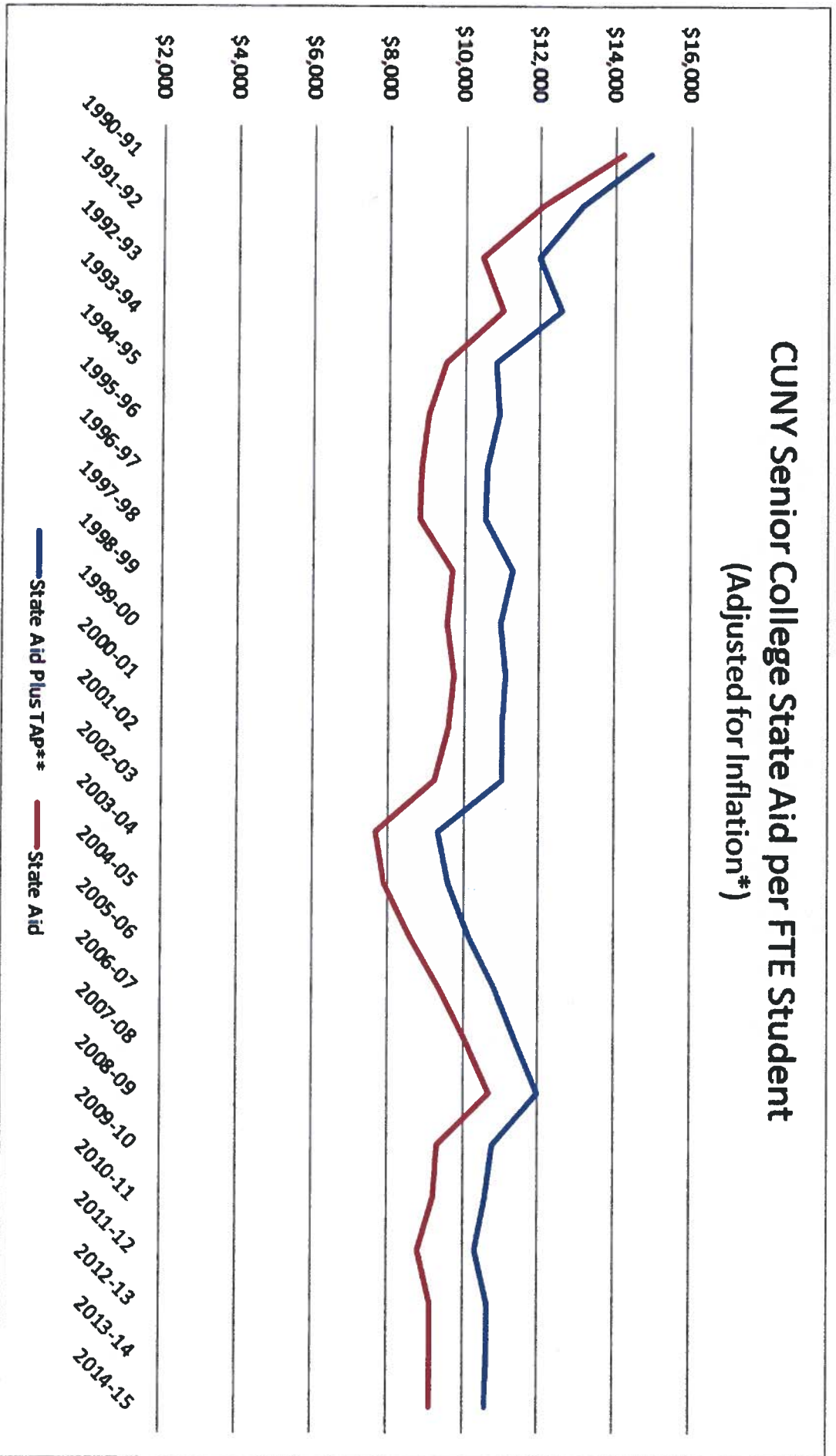
The Executive Budget would also set admissions criteria for schools of education. This is an infringement on the professional judgment and academic freedom of CUNY faculty. The goal of these proposals is to close down teacher preparation programs and change the composition of the student body to make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

A New Direction

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

President Obama has opened up a discussion on the future of higher education by calling for free community college. New York should engage this idea and remember that the promise of the Free Academy should continue to be fulfilled. To truly engage this idea means to make the needed investments now and in the future.

New York State has underfunded CUNY senior colleges.

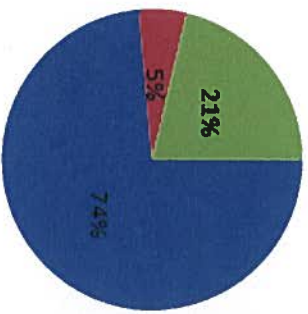


*Adjusted for inflation using the Higher Education Price Index (HEPI) issued by the Common Fund Institute.

** Tuition Assistance Program (TAP) financial aid provided CUNY students and paid by New York State.

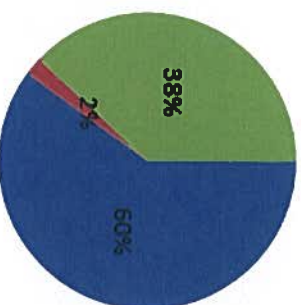
New York pays a diminishing share of CUNY Senior Colleges' operating budgets.

1990-1991



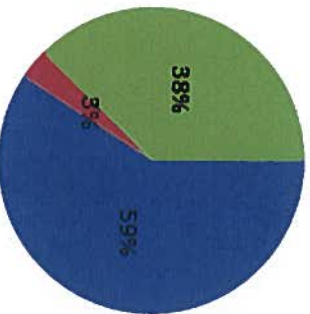
- State Aid (Includes Fringe Benefits)
- City Support
- Tuition and Other Revenue

2007-2008



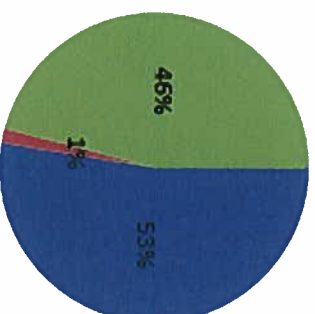
- State Aid (Includes Fringe Benefits)
- City Support
- Tuition and Other Revenue

2000-2001



- State Aid (Includes Fringe Benefits)
- City Support
- Tuition and Other Revenue

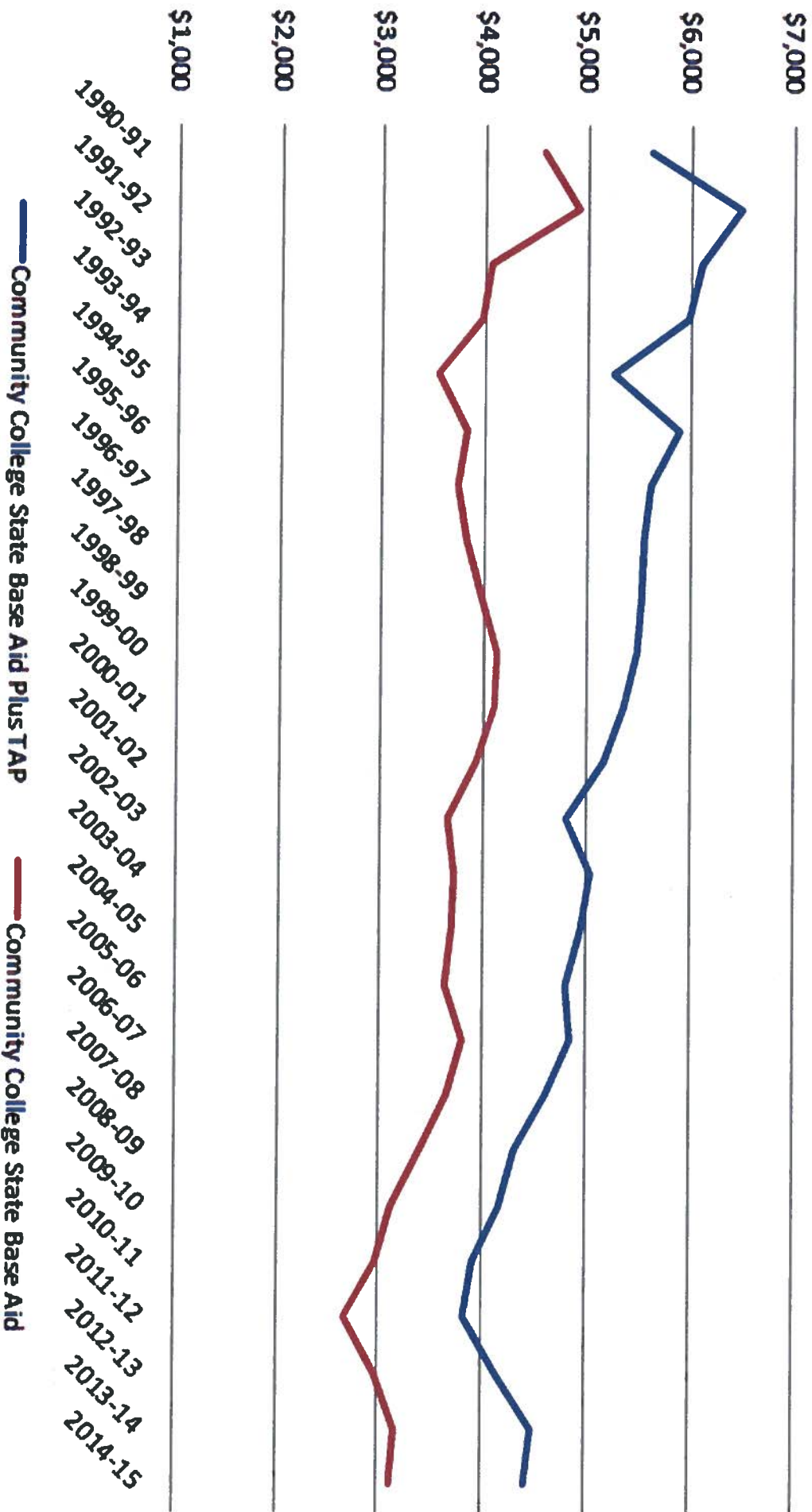
2014-2015



- State Aid (Includes Fringe Benefits)
- City Support
- Tuition and Other Revenue

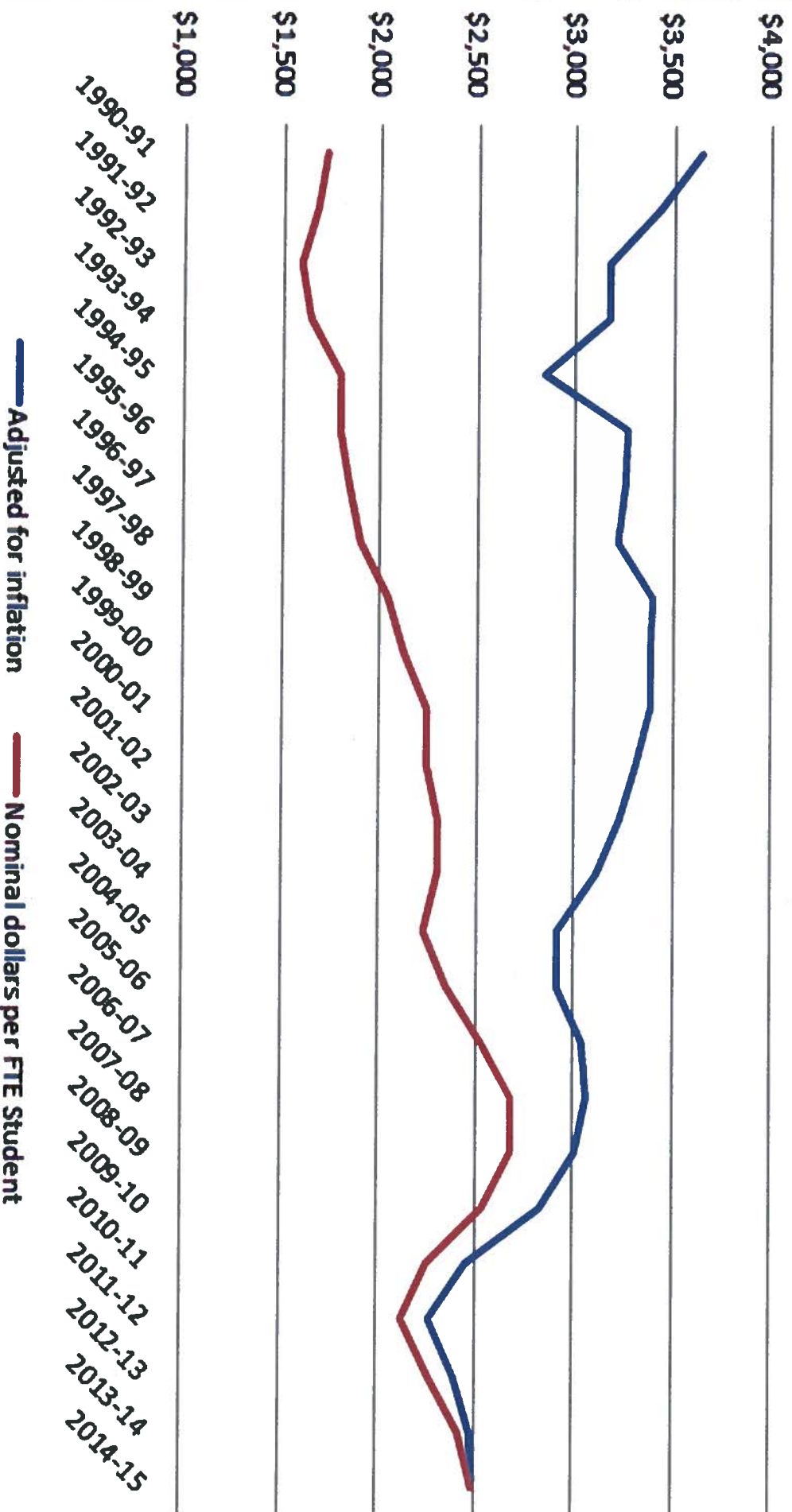
Community colleges are a national priority, but Albany continues to underinvest in them.

CUNY Community College State Base Aid per FTE Student (Adjusted for Inflation)



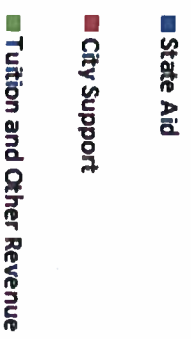
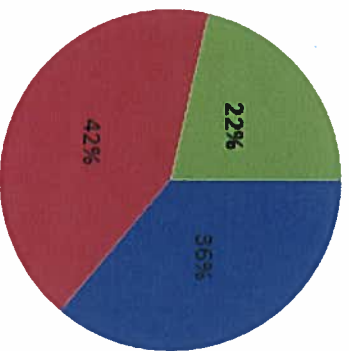
The Legislature has restored the Base Aid rate over the last three years, but it remains \$178 less than it was in 2008-09.

Community College State Base Aid Rate (Nominal Dollars and Inflation Adjusted)

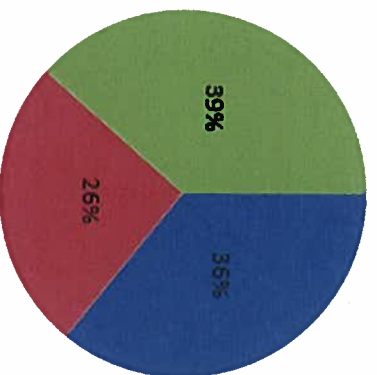


Students are paying a greater share of the cost of operating CUNY community colleges.

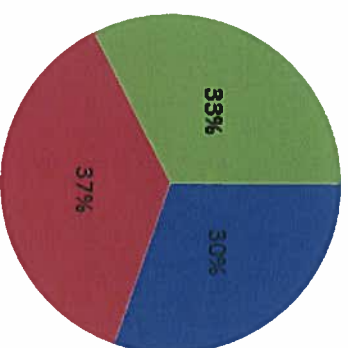
1990-1991



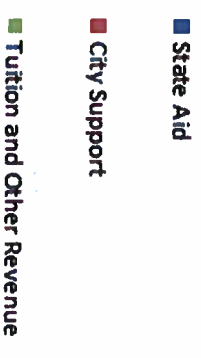
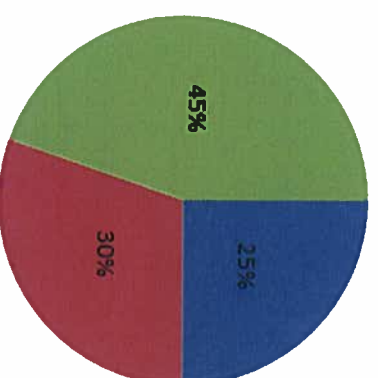
2000-2001



2007-2008

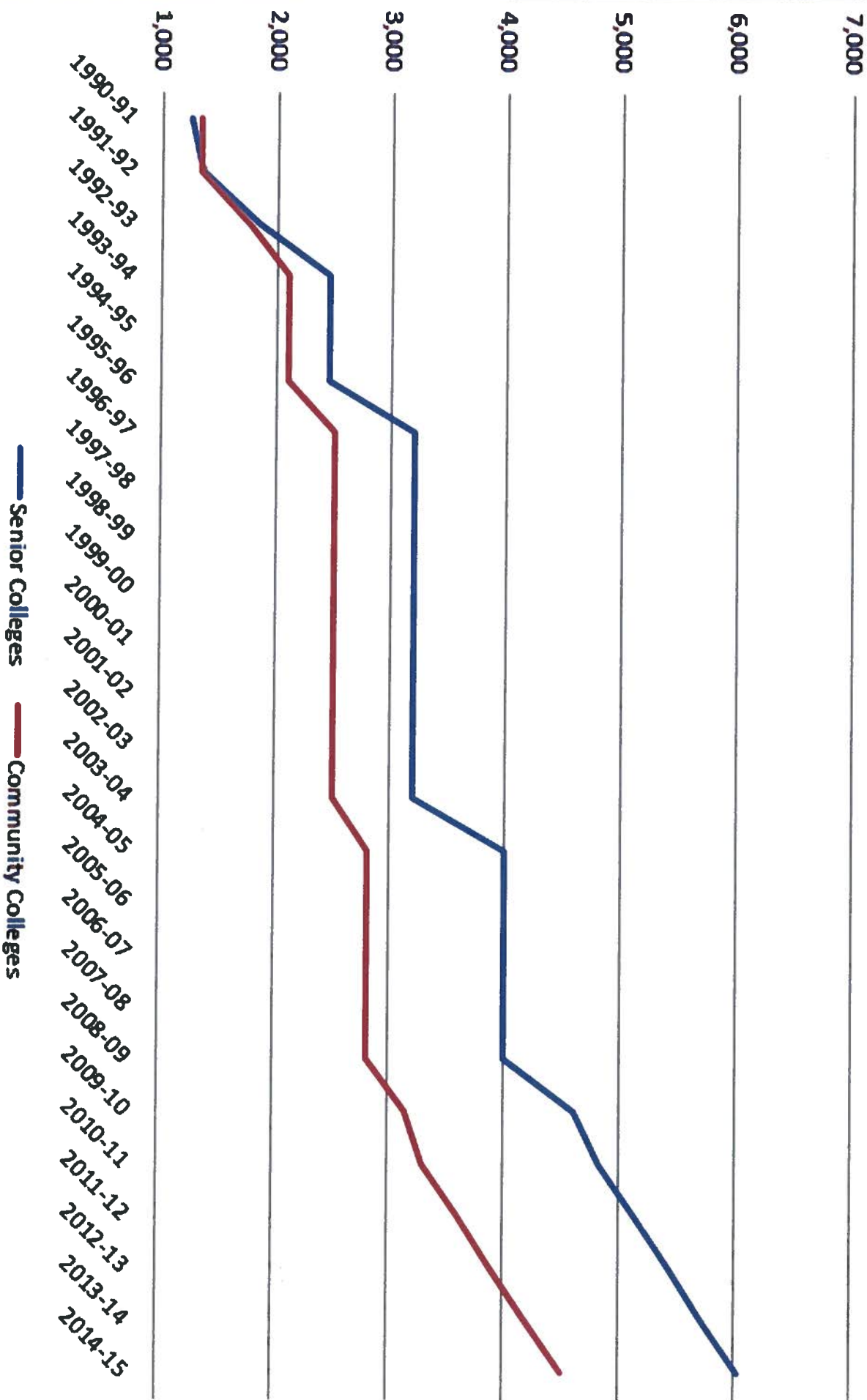


2014-2015



Students pay the price for Albany's disinvestment in CUNY.

Senior and Community College Tuition Nominal Dollars



Students face a shortage of full-time professors because of Albany's disinvestment in CUNY.

Percentage of Instructional FTEs delivered by Adjunct Faculty (CUNY-wide)

