



Testimony

**to the
Senate Finance Committee
and
Assembly Ways and Means
Committee
February 8, 2007**

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**Testimony of
Alan B. Lubin
Executive Vice President
New York State United Teachers
to the
Senate Finance Committee
Owen H. Johnson, Chair
and
Assembly Ways and Means Committee
Herman D. Farrell, Jr., Chair
on the
Proposed 2007-08 Executive Budget
for
Higher Education
February 8, 2007**

Senator Johnson, Assemblyman Farrell, honorable members of the Legislature and distinguished staff, I am Alan B. Lubin, Executive Vice President of New York State United Teachers (NYSUT). NYSUT represents 575,000 education and health care workers statewide. My testimony represents the concerns of 68,000 faculty and professional staff who work in colleges and universities across New York State. These include the members of United University of Professions at the State University, the Professional Staff Congress at the City University, faculty and staff at nearly all the community colleges in this state.

I am joined today by Dr. William Scheuerman, President of United University Professions (UUP), and by Dr. Barbara Bowen, President of Professional Staff Congress (PSC).

First, I would like to take this opportunity to thank this joint legislative committee for convening these public hearings and for the opportunity to testify today.

Second, I want to thank the Legislature for responding to the needs of higher education in the 2006-07 State Budget by providing SUNY and CUNY four-year institutions with an additional \$215 million in desperately needed operating aid; by increasing community college base aid by \$175 per full-time equivalent; by providing over \$1 billion in additional capital funding; and by restoring full funding to the Tuition Assistance Program and other educational opportunity programs that benefit our neediest students.

The additional resources provided in the 2006-07 Higher Education Budget has enabled both SUNY and CUNY to meet their mandatory operational costs. Moreover, it has enabled these institutions to hire hundreds of additional full-time faculty, fund enrollment growth, and to provide critical maintenance to campus buildings as well as supplement the costs of new and ongoing capital projects.

NYSUT applauds the Legislature's reaffirmed commitment to public higher education as exemplified by the enactment of the 2006-07 State Budget. Governor Spitzer has called for this state to begin a concerted effort to make our public higher education institutions the best in the nation. NYSUT joins the Legislature and the Governor in pursuing this critically important endeavor.

Being the best in the nation is important because other states and nations that are serious about competing in a global economy are making serious investments in their public universities. SUNY, CUNY and the community colleges provide the education, research, training and skills that are a necessary to provide this state with the workforce needed to

compete in the new information global economy. They are the magnets for new and emerging companies that are powering the growth in our economy. These institutions are also the engines of social progress for countless citizens who rely on public higher education to fulfill their potential.

The 2007-08 Executive Budget for Higher Education provides a good starting point for SUNY, CUNY and the community colleges with which NYSUT asks the Legislature to build on. In fact, the Executive's proposal is the best starting point for public higher education in well over a decade. The level of state operating aid provided to SUNY and CUNY in the Executive Budget will enable both universities to fully fund their mandatory expenditures and inflationary costs. Moreover, full funding is provided for the Tuition Assistance Program (TAP) and there is no proposed tuition increase which greatly helps to preserve access to higher education for thousands of students.

While NYSUT recognizes that the 2007-08 Executive Budget for public higher education is a significant improvement over those of the last fifteen years, we are also mindful of the chronic under funding that these institutions have endured over this same time period. With that in mind, it will take a sustained real dollar investment to reverse the damage that has been done, and to unlock the full potential of our public colleges and universities. NYSUT believes that the Executive budget presents a unique opportunity for the Legislature to build on last year's achievements in funding public higher education. We are at a crossroads in public higher education and the choices are clear. We can either choose to provide minimum funding to our universities so that they can tread

water, or we can build on last year's progress by making a significant increased investment in these institutions which is essential in order for them to grow, become more competitive and move further down the road to becoming the best in the nation.

To that end, NYSUT makes the following recommendations to the Legislature to build on the positive progress made in public higher education funding in the current fiscal year.

STATE OPERATING AID

Make Significant Increases in State Operating Aid to SUNY and CUNY Four-Year Campuses

Clearly, the overwhelming problem that has plagued both SUNY and CUNY for well over a decade is the lack of state support for these institutions. Over the last fifteen years there has been a gradual but significant shift in the financing of SUNY's and CUNY's core instructional budgets from state support to tuition revenue. When adjusted for inflation, state support for the SUNY state operated campuses has declined by 36 percent during this time period. In 1990, the percentage of the core instructional budget financed by the state was 75.4 percent. By 2005, that percentage had dropped to 51 percent.

For CUNY, when adjusted for inflation, there has been a decline of 38 percent in state support during this same time period. In 1990, the percentage of the core instructional budget financed by the state was 80 percent. By 2005, that percentage had dropped to 40 percent.

SUNY and CUNY can no longer afford to operate under this debilitating state financing plan which reduces public investment and shifts more of the burden to students and their families. The 2007-08 Executive Budget brings the state a step closer towards departing from this disturbing trend by holding the line on tuition, maintaining last year's base level funding and by providing funding to cover mandatory costs.

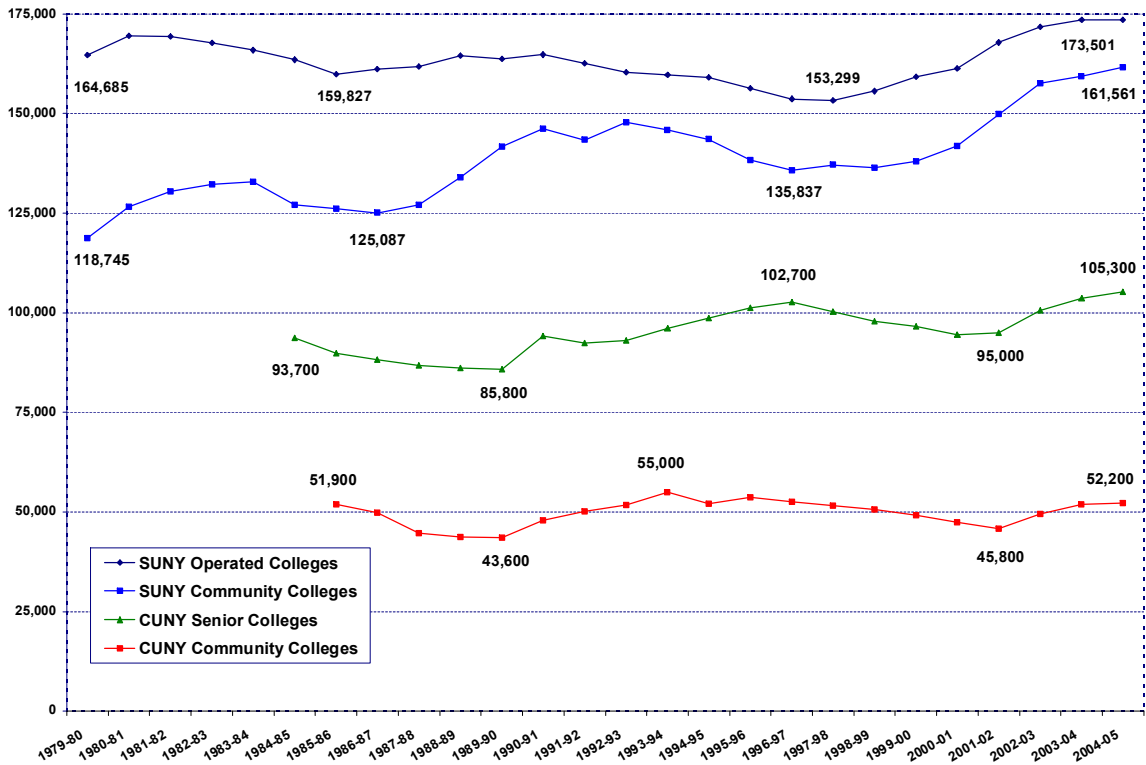
We ask you that you build on this good start and the progress made last year.

ENROLLMENT

Fund Enrollment Growth

NYSUT asks that the Legislature provide additional funding to help both SUNY and CUNY manage their increasing enrollments. As the chart on page 6 indicates, full-time equivalent students have increased at both SUNY and CUNY. In fact, since 1997-98 SUNY's state-operated campuses have seen an increase of over 20,000 full-time equivalent students while SUNY community college enrollment has grown by over 25,000 students for a system-wide total of growth of 45,000 students. CUNY now has its largest student body in over three decades.

Full-Time Equivalent Students



NYSUT Research and Educational Services

The failure of the state to adequately fund enrollment growth has contributed to our universities inability to provide a sufficient number of courses to enable all students to graduate on time. For example, in the fall of 2005 Chancellor Ryan testified before the Senate and Assembly Higher Education Committees and reported that SUNY had to turn away 7,500 qualified students from SUNY community colleges who sought admission to SUNY four-year campuses as SUNY just did not have the capacity to take these students. Where did these students go? I'm sure most of them could not afford the extremely high price of a private college education. Most likely, these students were forced to seek their college education in another state. As a result, most of these students will not return to

New York State when they graduate. On the other hand, we know that 80 percent of the students who graduate from SUNY and CUNY end up staying in New York State.

Unfunded enrollment at SUNY and CUNY has resulted in bigger class sizes, higher workloads, less attention to students, and the greater use of adjuncts to meet the growing demand. This problem will only be exacerbated if we don't change course now. The Board of Regents projects enrollments to grow at both SUNY and CUNY through 2013. SUNY is expected to see a growth of approximately 5.8 percent and CUNY's increased projected growth is 4.1 percent.

COMMUNITY COLLEGE BASE AID

Increase Community College Base Aid by \$250 per FTE

Notwithstanding the significant increase of \$175 per full-time equivalent student in the 2006-07 State Budget, the state still fell well short of its statutory funding obligation in providing 40 percent of the net operating costs to these colleges. The state aid share of net operating costs for SUNY community colleges provided for in 2006-07 is 30.4 percent, an increase from the 2005-06 state share of 29.8 percent. It's just not enough.

The 2007-08 Executive Budget provides a level of funding that is the best starting point for community colleges in over a decade. The Executive's proposal increases state base aid by \$100 per full-time equivalent (fte) student, increases rental aid and maintains last year's level of funding for high need programs.

While NYSUT appreciates the increase in state aid, much more needs to be done to protect these institutions that are the gateway to higher education for thousands of New York's citizens. To that end, we ask that the Legislature provide an additional \$150 per fte student in state base aid for a total of \$250 per fte student. This will help to move the state closer to its statutory funding level for these institutions.

As a result of years of under funding from the state and more recently from financially constrained local sponsors, community college administrators have been forced to continually raise tuition. A total increase of \$250 per fte will help to relieve some of the financial burden that has been unfairly placed on the backs of our students.

NYSUT also asks that the Legislature fund SUNY's request of providing an additional \$100 per fte to fund the community colleges high need programs. This will enable community colleges to meet the ever increasing demand from students and host communities for graduates of nursing, allied health and other resource-intensive technical programs. This funding should also go to CUNY to enhance their technical programs.

Increasing community college base aid is critical to these institutions as they are faced with continual growth in their enrollments. SUNY, CUNY and the community colleges have had few choices in dealing with increased enrollments. Unfortunately, they have been forced to hire more part-time faculty and limit access to students.

FULL-TIME FACULTY

Provide Funding for New Full-time Faculty Lines

This is another area of great and continued concern to NYSUT. There is no doubt that the loss of full-time faculty and the over-reliance on part-time faculty has had an adverse impact on the quality of a SUNY and CUNY education.

Notwithstanding the hundreds of full-time faculty that SUNY and CUNY have hired in recent years, these gains have been mitigated by a simultaneous increase in the number of part-time faculty hired at these institutions. This is primarily due to the continued enrollment growth at SUNY and CUNY.

In the case of SUNY, the percentage of courses taught by part-time faculty is about 50% while the number of part-time faculty has risen nearly 50 percent since 1993-94. For CUNY, this problem is even worse. At CUNY's senior colleges, part-time faculty teach 52% of the undergraduate classes and the total number of part-time faculty equals 7,834.

The problem is even worse at our community colleges where 68 percent of the faculty is part-time. As full-time faculty retire and enrollments grow, college administrators must meet their staffing obligations with limited funds by employing part-time faculty who receive less pay and little or no benefits.

While NYSUT is pleased that the Executive Budget provides additional funding to both SUNY's and CUNY's Empire Innovation Programs which will enable them each to hire new full-time faculty. These faculty lines are primarily devoted to research faculty. It is imperative that significant funding be added again this year to enable SUNY and CUNY to hire full-time faculty that will be in the classroom everyday teaching and advising our students. NYSUT asks that the Legislature specifically earmark funds to SUNY and CUNY four-year institutions for this purpose. My colleagues Bill Scheuerman and Barbara Bowen will provide you with details on their requests for full-time faculty funding in a few minutes.

Moreover, we ask that you specifically earmark \$15 million to be allocated to our SUNY community colleges to enable them to hire more full-time faculty. These institutions have not received any funding for this purpose in over 10 years. When you couple this fact with the lack of adequate state funding over this period, it is easy to see why 68% of the faculty at these institutions are part-time.

Again, we thank you for the funding you provided last year to help address this troubling issue however, we must continue to replenish the thousands of full-time faculty that have been lost over the last fifteen years. It is clear; there is a direct correlation between full-time faculty and educational quality. We simply can not expect SUNY and CUNY to provide the highest quality of academic programs and services to their students when they are forced to rely on a contingent workforce. We must address this troubling issue if SUNY and CUNY are to become the best higher education institutions in the nation.

SUNY HOSPITALS

NYSUT is strongly opposed to the Berger Commission's recommendation to privatize the SUNY hospitals as we have already testified. The Legislature has wisely rejected this proposal for many years because it just doesn't make sense for those New Yorkers who are served by these hospitals and who depend on accessible, affordable and quality health care. Moreover, there was no evidence presented in the report to substantiate this recommendation. In fact, when you remove the political bias which NYSUT believes that these recommendations were derived from, the facts show that it is in the state's best interest to continue to allow SUNY to manage these important health care institutions. A recent report by the consulting firm Price Waterhouse Coopers confirms this position as their objective analysis of the SUNY hospitals concluded that the hospitals are well-managed and productive despite being chronically under funded by the state.

The 2007-08 Executive Budget continues the trend of under funding the SUNY hospitals by only increasing their subsidy by \$6.8 million which is far from the \$29 million that is needed, and which SUNY requested. NYSUT asks that you provide \$22.2 million this year to in additional funding to subsidize these hospitals to help alleviate the chronic under funding of these institutions.

Price Waterhouse Coopers report also concluded that the SUNY hospitals "compare favorably to most of the operational and financial benchmarks of peer academic medical

centers and in general, operate more efficiently than 75% of their academic medical center peers.”

The SUNY teaching hospitals at Brooklyn, Stony Brook, and Syracuse provide a high level of clinical care that is critical to the people in their communities. That level of care exists because the State of New York oversees these hospitals. The SUNY hospitals are directly accountable to the SUNY Trustees, the Legislature and the Governor. If these hospitals are restructured and become privatized, direct oversight and accountability will be lost, the rigor and breadth of medical training will be compromised and the current level of clinical care will be jeopardized. Under a privatized bottom-line structure, it is likely that many of the most expensive and unique critical services that SUNY hospitals provide to the citizens of the counties that they serve would eventually be discontinued or cut back.

Moreover, NYSUT opposes restructuring these institutions into public benefit corporations. One only has to look at the Westchester and Nassau County hospitals that were restructured as public benefit corporations and are now struggling to remain fiscally solvent, to see that this is a bad idea.

Let’s be clear, time is not on our side with this issue. The cloud hanging over SUNY Upstate has already taken its toll as a result of the Berger Commission recommendation. SUNY Upstate is already experiencing problems in recruiting top-flight medical faculty and students which are critical to its mission.

If the Berger Commission Recommendations are implemented, unique, life-saving critical health care services not readily available at other hospitals will be jeopardized, first-rate medical care to all citizens of New York – regardless of their ability to pay – will be compromised, and the quality of graduate medical education and cutting-edge research will be diminished.

Now is the time to act. It is vital that you work with the Governor to stop the implementation of these ideologically driven and ill-conceived proposals. The clock is ticking. Health care recipients and our SUNY hospitals can't afford any further delays in stopping the implementation of these harmful recommendations.

CONCLUSION

In conclusion, we urge you to build on the Executive Budget's solid start in funding public higher education by making strategic investments in operating aid and full-time faculty that will move us closer to achieving the Governor's vision of SUNY and CUNY being the best in the nation.

Again, thank you for taking the time to hold these important hearings. I look forward to working with you in the coming months on these and other important issues. I will now turn the microphone over to Dr. Scheuerman who will be followed by Dr. Bowen.