



Testimony

to the

**Assembly Committee on
Higher Education**

on

**The Impact of the COVID-19 Pandemic
on the Future of Higher Education**

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Chairperson Glick, honorable members of the Legislature and distinguished staff, I am Andrew Pallotta, 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 before you to discuss the impact of the COVID-19 pandemic on the future of higher education. My testimony represents the concerns of over 80,000 faculty and professional staff who work in public colleges and universities across the state, as well as the three SUNY teaching hospitals. 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.

Before I begin, I would like to thank you and your colleagues for your help in securing critical state and federal funding to help our students, faculty and colleges get through the past year and a half. These funds were instrumental to the ongoing recovery process. When I talk about recovery, I am referring to the physical and mental well-being of our faculty and students in addition to the fiscal stability of our public institutions of higher education.

While appropriate funding for our institutions remains a critical need, this year, because of COVID-19, the actual health and safety of our students, our members and the entire higher education community has become paramount. As we continue to deal with the many ever evolving challenges presented by the COVID-19 pandemic we must be able to shift our funding priorities to address the changing landscape. For example, after all that we have been through with COVID-19, we still do not have enough mental health counselors to meet the more complex needs of our students. The numbers were insufficient before the pandemic hit and forced students to work, study and care for siblings and relatives.

Before COVID-19, our public institutions of higher education were reeling from years of austerity budgets that held SUNY and CUNY instructional core budgets flat, even though operational costs continue to rise. This disappointing practice severely restricts these institutions' ability to grow, anticipate emerging workforce trends and remain competitive — to the detriment of the students they serve. The impact of flat funding and related fiscal neglect are felt by students and our members across the state. Campuses face difficult decisions concerning the potential elimination of programs and declining student services due to inadequate resources before COVID-19 ravaged our state and national economies and caused a global fiscal crisis.

COVID-19 has affected every New Yorker in some way. While the disease has touched us all, its impact varies from person to person. The pandemic has required us to figure out a new work-life balance, forced us to grapple with staggering losses of life and everything in between. Because of this terrible disease, everything looks different now. Things once unimaginable, have become familiar. Long-standing jobs have disappeared, careers have been made irrelevant. The pandemic has exacerbated the threat of poverty for many and intensified the needs of those already living in poverty. Food insecurity is no longer in the periphery of our minds, as we see friends and neighbors wait for hours in food pantry

lines just so they can feed their families. While the emotional costs of this disease are impossible to quantify, the fiscal costs are not.

While we grapple with how to handle the social, economic and emotional challenges posed by COVID-19, one thing we must not do is shortchange our public institutions of higher education. The people who have lost their jobs or careers need to be retrained so that they may re-enter the post-COVID-19 workforce. Historically, when there has been an economic downturn, enrollment at our public colleges and universities increases. Unfortunately, the COVID-19 pandemic has reversed that trend and we continue to see enrollment numbers decline, particularly at our community colleges. Whether enrollment is down from COVID related fear or economic loss, we should provide the necessary funding to our public colleges and universities to prepare and retrain New Yorkers so that they may re-enter the post-COVID-19 economy. For many, the pathway out of economic hardship leads through our two- and four-year public colleges and universities.

Sadly, educational inequality, already one of the most pressing issues of our time, has been made even worse by COVID-19. Distance learning brought into sharper focus the need to narrow the gaps between the haves and the have nots. Access to reliable internet and laptops disproportionately impacts our neediest and most rural communities. The education our public colleges and universities provide elevates our poorest New Yorkers to the middle class. Without continued, proper investment, the promise of a brighter future dims considerably. Unfortunately, these effects are most strongly felt in our low-income communities and the impact is borne by those who can least afford to shoulder it. Tuition increases of any kind are not the solution and should not be accepted as the norm. There are thousands of students that can barely make ends meet as it is, and raising tuition, even by a “predictable” \$200, will serve as a nearly insurmountable obstacle for many of them.

Access to quality public higher education is a crucial component in the state’s efforts to recruit and retain businesses and industries. As businesses consider where to locate, they are drawn to places with an available pool of highly trained and educated employees. SUNY, CUNY and our community colleges help to fulfill that requirement by instructing and preparing New Yorkers for current and future job opportunities. A growing number of employment opportunities require advanced degrees, which further underscores the need for greater state investment in public higher education. Properly funding CUNY and SUNY helps to ensure that all New Yorkers have access to an affordable, quality, public education.

State Investment

In recent years, we have seen several proposals put forth by the Legislature and the governor to increase student access to public higher education. In the past, I have called on the Legislature to fix the maintenance of effort language to ensure the state covers all mandatory costs, to eliminate the TAP-Gap, which is a penalty leveled on campuses educating our neediest students and to restore funding to community colleges so they may respond to business trends and needs. Now more than ever, New York must take bold action and

develop a plan to stabilize our higher education institutions and ensure they are positioned to be on the front line of New York's economic recovery.

Unfortunately, even in the face of rising operational costs, the 2021-2022 New York State Enacted Budget continued the trend of holding SUNY's and CUNY's instructional core budgets flat. Without funding to address these operational costs, we are endangering student access to public higher education and the quality education they deserve. A significant state investment with dedicated and stable revenue to fund it, is needed to reverse this trend and to preserve and enhance the quality of education received.

While the enacted budget extended the maintenance of effort (MOE) provisions until 2025, we continue to look for meaningful change. As you know, the current MOE language in the education law was intended to shield the four-year colleges operated by SUNY and CUNY from year-to-year cuts and budget fluctuations. While the intent was laudable, the existing MOE, also known as the basic MOE, created a ceiling for funding rather than a floor. Not surprisingly, without the necessary state investment, system-wide programmatic enhancements to the number of faculty, staff, programs and services students receive have been virtually non-existent. When we refer to an investment, we are asking the state to cover all mandatory costs, which include collective bargaining increases, energy and other inflationary costs as well as the tuition credit waiver. We also ask the state to cover the new costs necessitated by the COVID-19 pandemic including but not limited to, PPE, testing and cleaning protocols. Without state funding to cover rising costs, CUNY and SUNY are forced to absorb them, to the detriment of student programs and services. We would like to thank you for continuing to support legislation that requires the state to reimburse all mandatory costs.

The myriad issues assailing our institutions of higher learning are a direct result of austerity budgets to our public university systems, which started in 2011, following the Great Recession. The health and fiscal crises that have followed in the wake of the COVID-19 pandemic has exacerbated familiar problems and has led to a host of new financial burdens that must be borne by our institutions of public higher education. While we realize that the problems caused by COVID-19 are not unique to NYSUT, we would ask that you continue to make operating aid for public higher education a priority as we head into 2022.

Affordability and Accessibility

Over the years we have called for the hiring of much needed additional full-time faculty and staff at CUNY and SUNY. Additional faculty and staff are desperately needed to ensure that all students have timely access to advisement services, mental health services and course offerings to assist them in completing their education on-time. Students should not have to delay graduation and incur additional debt because they, without guidance, took the wrong course or had to wait a semester or more for a required course to be offered because there are not enough professors available to provide student access to necessary courses.

With the implementation of the predictable tuition plan in 2011, tuition increases were supposed to be used to support an investment in classroom faculty, instruction initiatives to support on-time completion and the tuition credit. For years, NYSUT has argued that the students have paid more than their fair share and it is time for the state to cover more of the costs. We applaud the Legislature for rejecting Governor Cuomo's attempt to extend the predictable tuition plan through 2025, which would have authorized SUNY and CUNY to raise tuition up to two hundred dollars per year.

Raising tuition, cutting state funding and scaling back student services is a recipe for disaster. Simply put, appropriate state funding obviates any need for increased tuition. We urge the Legislature, in these unique and challenging times, to provide the necessary operational funding, and resist any calls to raise tuition. We ask the Legislature to think about the current students who are barely hanging on or the would-be students trying to figure out how to pay for college and realize that, for them, a \$200 increase might as well be a \$2,000 increase because they simply cannot afford it. In the real world, paying for groceries, medicine and childcare supersedes going to college. These are choices that should not have to be made.

The fiscal disaster wrought by COVID-19 made it very clear that the status quo budget funding approach to our colleges and universities was woefully inadequate. For most of last year, our members had to deal with the constant specter of budget cuts. Consequently, we witnessed layoffs at an unprecedented level. The ranks of adjunct professors were decimated. At both CUNY and SUNY, we saw an alarming number of reactionary and unnecessary layoffs and non-renewals hitting this vulnerable and critically important group of educators. We also saw retrenchment being used for targeted layoffs through the elimination of programs and positions.

Community Colleges

At this time, I would like to discuss community colleges. To begin, I would like to thank the Legislature for your ongoing commitment to these campuses and for establishing, in the 2021-22 enacted budget, a 98 percent funding floor for base aid along with a \$50 FTE increase. These initiatives resulted in a \$14.4 million increase in base aid.

As you know, community colleges educate and prepare students for the workforce and provide the necessary foundation for students moving on to four-year campuses or universities. In addition to educating all types of students where they live and work, community colleges significantly advance social mobility. They often collaborate with regional businesses and employers to develop and provide training to address specific local workforce needs.

Notwithstanding the Legislature's commitment to community colleges, state funding to these campuses is not commensurate with the provisions of the state education law. State education law provides that the state shall pay 40 percent of the operating costs of these

campuses. As I am sure you are aware, the state is not remotely meeting this obligation and, in fact, has not done so for fifty years.

For our community colleges, inadequate state support was only one of the many hurdles placed before them. In 2020, these institutions had to deal with the state withholding 20 percent of their TAP allocation as well as approximately \$92 million in base aid payments. Add to these already daunting statistics the fact that, despite declining enrollments, their funding continues to be based on the totally inadequate full-time equivalent (FTE) funding model, which gives these institutions state funds based on a set amount multiplied by the number of FTE students enrolled.

CHART A

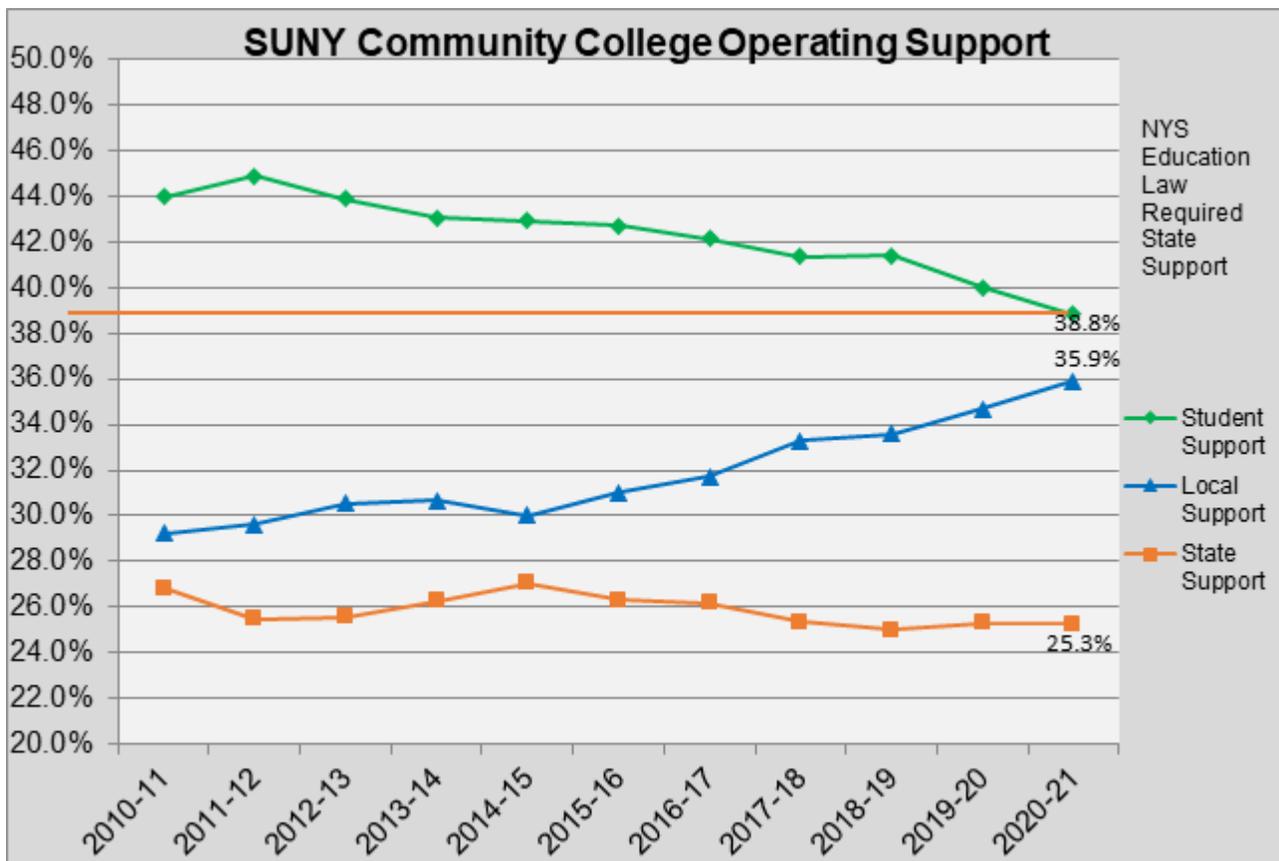
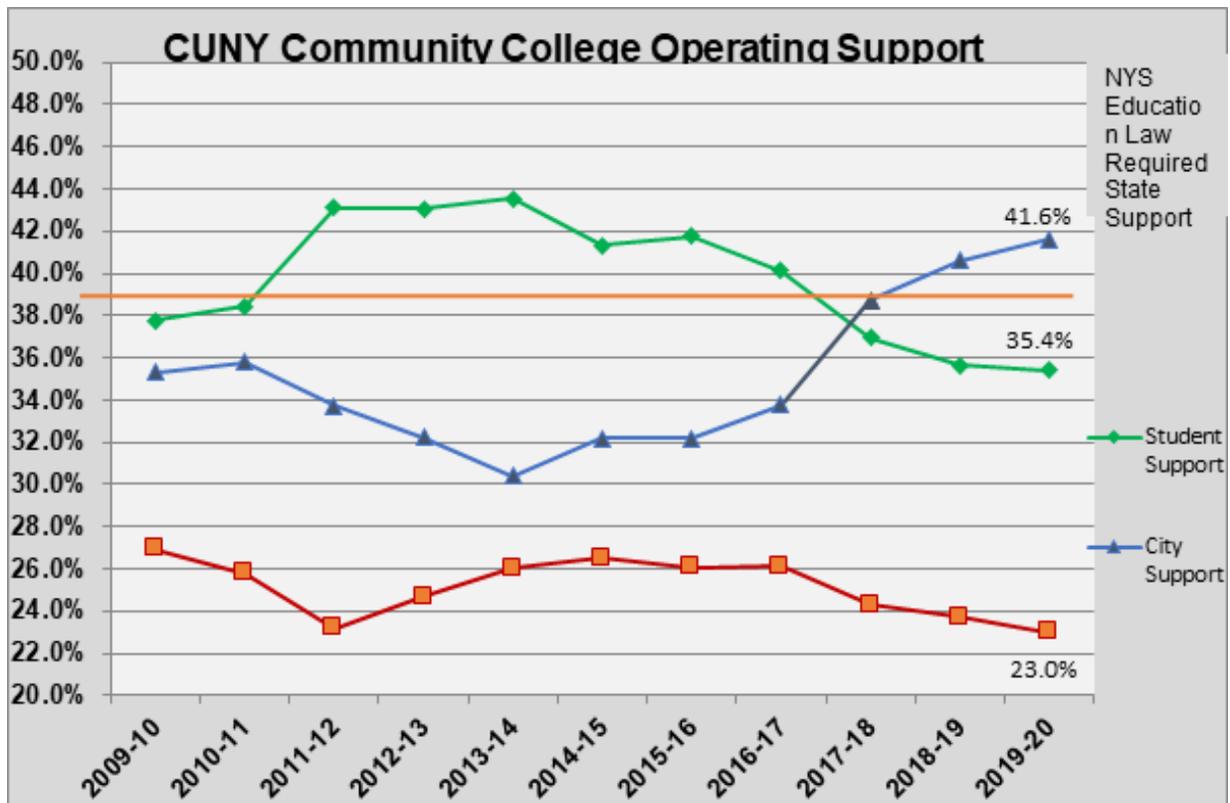


CHART B



As Charts A and B illustrate, both SUNY and CUNY community college students are paying the lion’s share of operating costs of these campuses. Over the ten-year period from 2008-09 to 2018-19, SUNY community college students went from paying 40.8 percent of the operating costs to approximately 41.4 percent. While the state’s contribution for the same period decreased from 30.8 percent to 25 percent. We see a similar trend for CUNY community colleges during the same period, where the student share increased from 32.3 percent to 40.6 percent, while the state share decreased from 28.9 percent to 23.7 percent. Year after year, in budget after budget, we have seen the state “not withstand” the law, at the expense of our students and community colleges. This practice must stop. Accordingly, we are calling on the state to fulfill its obligation and provide 40 percent of the funding for these critical institutions.

The COVID-19 crisis has cast doubt on the validity of another historical truth, which held that in bad economic times enrollment in public higher educational institutions, particularly community colleges, increased. The pandemic has injected a degree of uncertainty that makes it nearly impossible to predict enrollment and budget accordingly. The current health crisis has exacerbated a situation that was already untenable for most of our community colleges, has forced cuts and layoffs and will make it very difficult for them to absorb and effectively manage any significant increase in the student body.

Before anyone had even heard of COVID-19, our community colleges were grappling with slowly declining enrollments. According to SUNY, New York's community colleges have seen a 23 percent drop in student enrollment in the last decade. This drop can be attributed to several factors but the two most likely are a relatively strong (pre-COVID-19) economy and a general decline in population for many areas of the state. Sadly, shifting demographics, declining K-12 enrollments state-wide and migration from New York have been steadily eroding the ranks of potential community college students for more than a decade. By way of example, more than 1.4 million people have left New York since 2010. Unfortunately, the pandemic dramatically accelerated the downward trend in enrollment, and we are seeing colleges with percentage drops in the teens. (e.g. 13 percent at Suffolk Community College).

Simply put, the current per FTE funding methodology for community colleges does not work in the COVID-19 world as it makes community college funding unpredictable and unstable. Unfortunately, even with the assistance provided in the 2021-22 enacted budget, community colleges saw reductions in state funding due to sharp declines in enrollment. Faced with declining or uncertain enrollments and decreased state funding, community colleges are being forced to raise tuition to continue to serve their students. Any decline in funding, even with an increase in tuition, inevitably leads to cuts to programs, student services and faculty positions. The financial futures of our community colleges will remain bleak until the inadequate funding model, which gives these institutions state funds based on a set amount multiplied by the number of FTE students enrolled, is changed. This model does nothing to insulate campuses from enrollment fluctuations. As enrollment continues to decline, we must develop a better funding model for our community colleges and insulate them from funding shortfalls created by enrolment fluctuations.

Tuition Assistance Program (TAP) Gap

Both SUNY and CUNY four-year campuses have been grappling with the growing tuition credit, which is an unfunded mandate that started in 2011, with the enactment of the tuition plan. All TAP students receive a tuition credit based on their income; with higher-income students receiving the lowest credit and lower-income students, who receive a maximum TAP award, getting the highest credit to fully cover the cost of their tuition.

We thank the Legislature for addressing the TAP-Gap. As you know, the 2021-2022 enacted budget provided for the elimination of the TAP-Gap in four years. To achieve this, the maximum TAP award was increased by \$500 to \$5,665. The enacted budget provided for a four-year phase out of the TAP-Gap with the state appropriating 33 percent of the tuition credit in fiscal year 2022-23, 67 percent in 2023-24, and 100 percent in 2024-25. While we are encouraged with the commitment to eliminate this pervasive problem, we would like to see it eliminated in its entirety in 2022-23. Eliminating this credit would be a good step towards providing immediate fiscal relief to four-year campuses.

SUNY Hospitals

I would now like to talk about the SUNY hospitals. I want to thank the Legislature for its support and advocacy for the SUNY hospitals over the years. Unfortunately, the 2021-2022 executive budget proposal continues to inadequately fund these vital health care institutions. As I am sure you recall, these teaching hospitals, which serve all New Yorkers, used to receive financial support that was improperly referred to as a “subsidy.” As part of the 2018-19 New York State Executive Budget, the subsidy was eliminated. With your help we were able to get the money restored for what turned out to be the last time, as every budget proposal since has failed to include these vital funds. This money, which is more properly characterized as “mission funding,” helped to ensure the financial well-being of these hospitals and guaranteed access to health care for the communities that depend on them.

The mission funding was a vital source of funding to the hospitals and was first provided in 2001, in lieu of debt service and fringe benefits, which the state had covered many years ago. The three hospitals have been front and center in the battle against COVID-19. SUNY Downstate was so critically important, it was designated as a COVID-only hospital. These hospitals operated by SUNY are the state’s hospitals and, as such, the state should provide support to ensure their financial stability and viability. We would ask that the critical mission funding be restored to the 2017-18 level of \$87.9 million. Additionally, the SUNY Hospitals are the only state entity to not receive debt service relief from the state. As you may recall, the state used to provide \$157 million to the three hospitals for that purpose. We would ask that the state cover the SUNY Hospitals’ debt service as is done for every other state agency.

Conclusion

New York State has taken steps to increase student access to public higher education. Now is the time to focus on preserving and enhancing the quality of the education offered by CUNY and SUNY.

We again call upon the Legislature to make higher education funding a priority and are asking for a strong investment in the core instructional budgets of CUNY and SUNY to reverse the impact from years of flat-funding and to ensure that we are providing our students the first-rate education they deserve.

I want to thank you for the opportunity to address you today and for all that you have done to improve public higher education. I look forward to continuing our work.