



# *Testimony*

**to the  
Senate Finance Committee  
and  
Assembly Ways and Means Committee  
on the  
Proposed 2022-23 Executive Budget  
for  
Higher Education  
February 7, 2022**

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*Representing more than 600,000 professionals in education and health care  
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*Testimony of  
Andrew Pallotta,  
President  
New York State United Teachers  
to the  
Senate Finance Committee  
Liz Krueger, Chair  
and  
Assembly Ways and Means Committee  
Helene E. Weinstein, Chair  
on the  
Proposed 2022-23 Executive Budget for  
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Chairperson Krueger, Chairperson Weinstein, 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 today on the proposed 2022-23 New York State Executive Budget for 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.

I am joined today by Dr. Frederick Kowal, President of United University Professions (UUP), and Dr. James Davis, President of the Professional Staff Congress (PSC). You will hear from both Dr. Kowal and Dr. Davis in a few moments.

Today, thanks to COVID-19 and technology we have all been forced to master since March of 2020, I am meeting with you via zoom. Last year at this time I would have bet that we would have had the virus on the run and that we would all be meeting in person. Unfortunately, that is not the case.

While it is true that COVID-19 has changed many things and has forced us to reevaluate almost every aspect of our lives, it has not diminished the significance of this gathering. In fact, given the state of our state, this hearing — which connects members of the Legislature with members of the higher education community to share priorities, relate experiences from the past year and discuss ways that we can work together for the betterment of our students, members, two- and four-year colleges and the communities they serve — is more important than ever.

Before I begin, I would like to thank you all for the work that you did in crafting last year's enacted budget. Specifically, I thank you for standing up for higher education, rejecting the sweeping cuts proposed in the 2021-2022 executive budget and for prioritizing the safety of all New Yorker's. While we are still battling COVID-19 and its variants, I am certain that your foresight last year put us in a much better place this year.

I would also like to thank Majority Leader Schumer and our congressional delegation for the federal COVID relief funding they were able to secure for our state. Those critical resources prevented what would have been a truly draconian 2021-2022 budget and have provided resources to support what appears to be the first positive executive budget proposal we have seen in over a decade.

While appropriate funding for our institutions remains a critical need this year, because of COVID-19, the health and safety of our students, our members and the entire higher education community have 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. However, it should be noted that even before the pandemic hit, campuses did not have nearly the number of mental health professionals on hand to meet students' demand for these services.

While we are thankful for the additional support to higher education in this year's executive budget proposal, more is needed to reverse the impact caused by years of underfunding. We will once again be looking to our friends in the Legislature to continue to advocate for public higher education as our colleges and universities struggle to emerge from COVID-19.

As you know, our public institutions of higher education have been reeling from years of austerity budgets that held SUNY and CUNY instructional core budgets flat, even though operational costs continued 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 continue to face difficult decisions concerning the potential elimination of programs and declining student services due to inadequate resources. The COVID-19 pandemic exacerbated an already tenuous situations across our campuses.

Unfortunately, COVID-19 and its variants continue to impact every New Yorker in some way. The pandemic has required us to figure out a new work/life balance as we try to return to what has become the new normal. While we focus on recovery, one thing we must not do is shortchange our public institutions of higher education. People who have lost their jobs or their 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, COVID has reversed that trend and we have seen enrollment numbers, particularly at our community colleges, plummet. Whether enrollment is down from COVID driven fear or economic loss, we cannot underfund our public colleges and universities. As we emerge from this dark time, we must be ready to retrain New Yorkers so that they may participate in the post-COVID-19 economy. For many, our SUNY and CUNY systems will be the way out of economic hardship and the key to any financial recovery.

Educational inequality, already one of the most pressing issue of our time, has been made even worse by COVID-19. Distance learning, necessitated by this awful virus, has 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 low-income, rural and black and brown communities. As I am sure you know, public higher education is the pathway out of poverty for countless low-income families. The education our colleges and universities provide elevates our poorest New Yorkers to the middle class. When the state fails to invest in its public institutions of higher learning, our students and communities suffer. Worse still, 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.

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 locations with an available pool of highly trained and educated employees. The State University of New York (SUNY), the City University of New York (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**

As I am sure you know, every New York State Budget in recent memory has provided essentially flat funding for SUNY state-operated campuses and CUNY city-operated campuses. Persistent underfunding has resulted in a steady decline in critical supports for students' academic progress and success. For example, CUNY currently only has 35 full-time faculty to every 1000 full-time equivalent (FTE) students and the ratios for mental health counselors and academic advisors are also troubling. Furthermore, while funding for instructional core budgets has remained flat, operational costs continue to rise. State funds must be regularly allocated to cover mandatory costs passed on to CUNY and SUNY, including monies for fringe benefits, utility costs, building rentals and contractual, incremental salary increases. 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.

While this year's executive budget proposal is a dramatic improvement over prior years' budgets, and I am encouraged by the commitments made to finally close the TAP-Gap and provide real dollars to CUNY and SUNY, more needs to be done. One good budget cannot undo the years of chronic underfunding these campuses have endured, and the fact remains that many of our colleges are still millions of dollars in debt.

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 have exacerbated familiar problems and led to a host of new financial burdens that are now borne by our institutions of public higher education. Since a significant state investment is needed to reverse this trend and to preserve and enhance the quality of education, we would ask that you continue to make operating aid for public higher education a priority as we head into 2022. In a few moments you will hear from Dr.'s Kowal and Davis on the importance of additional operating aid.

We commend Governor Hochul for recognizing that the status quo budget funding approach our colleges and universities have had to endure for the past decade was woefully inadequate. We are hopeful that our members will no longer have to constantly worry about the specter of budget cuts that prompted unprecedented layoffs that decimated the ranks of our adjunct professors. While we applaud this progress, additional funding is needed.

## **Community Colleges**

At this time, I would like to discuss community colleges. As you know, our community colleges, like our four-year institutions of higher education, have struggled over the last decade.

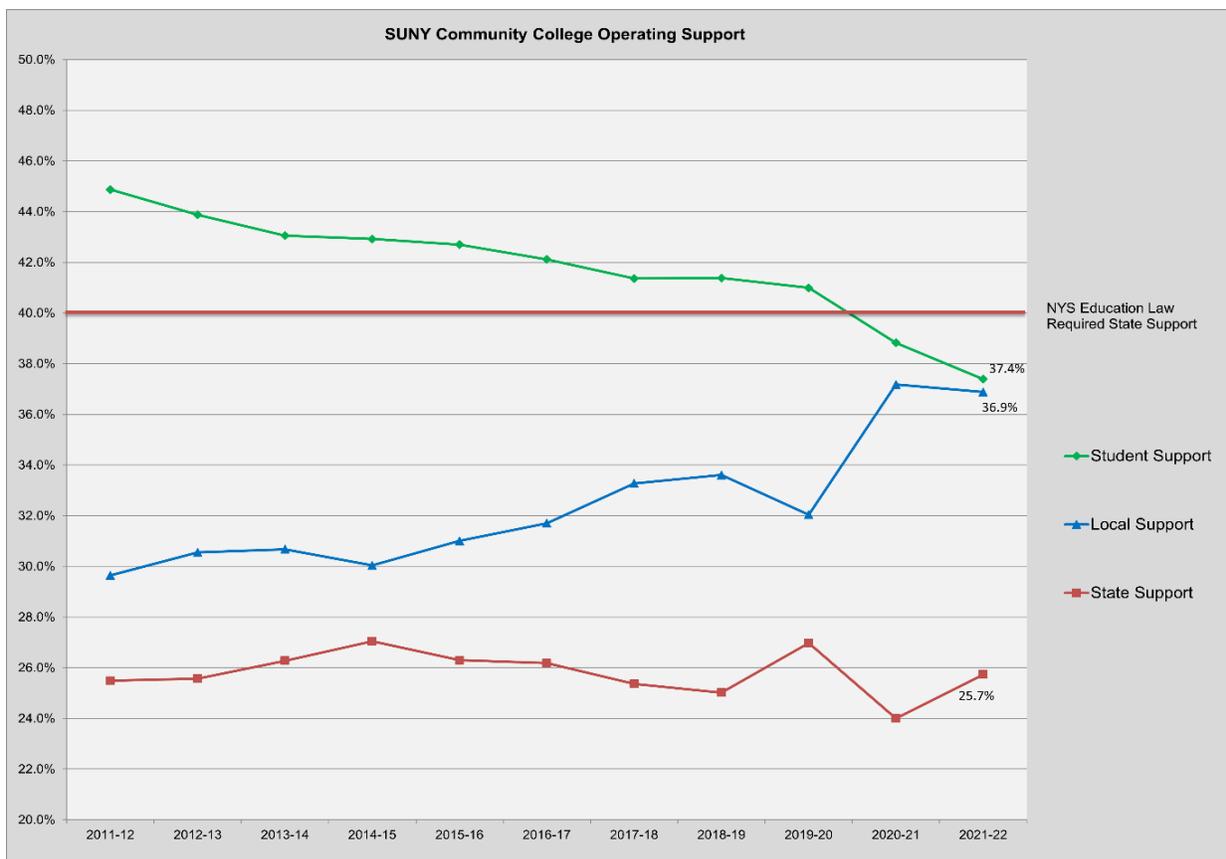
I would like to thank the Legislature for your ongoing commitment to these campuses. Year after year, the Legislature has had to step up and provide a lifeline to these critically important colleges. As part of the 2021-22 New York State Enacted Budget, the Legislature established a 98 percent funding floor and provided \$2,997 per full-time equivalent student for community colleges, which represented a \$50 increase per student and a \$14.4 million increase in base aid. Unfortunately, even with this assistance, community colleges saw reductions in state funding due to sharp reductions in enrollment. Any decline in state aid forces campuses, which are already operating on razor thin margins, to raise tuition and/or make cuts to academic programs and student services to survive.

As you know, community colleges educate and prepare students for the workforce and provide the necessary foundation for those seeking to move 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.

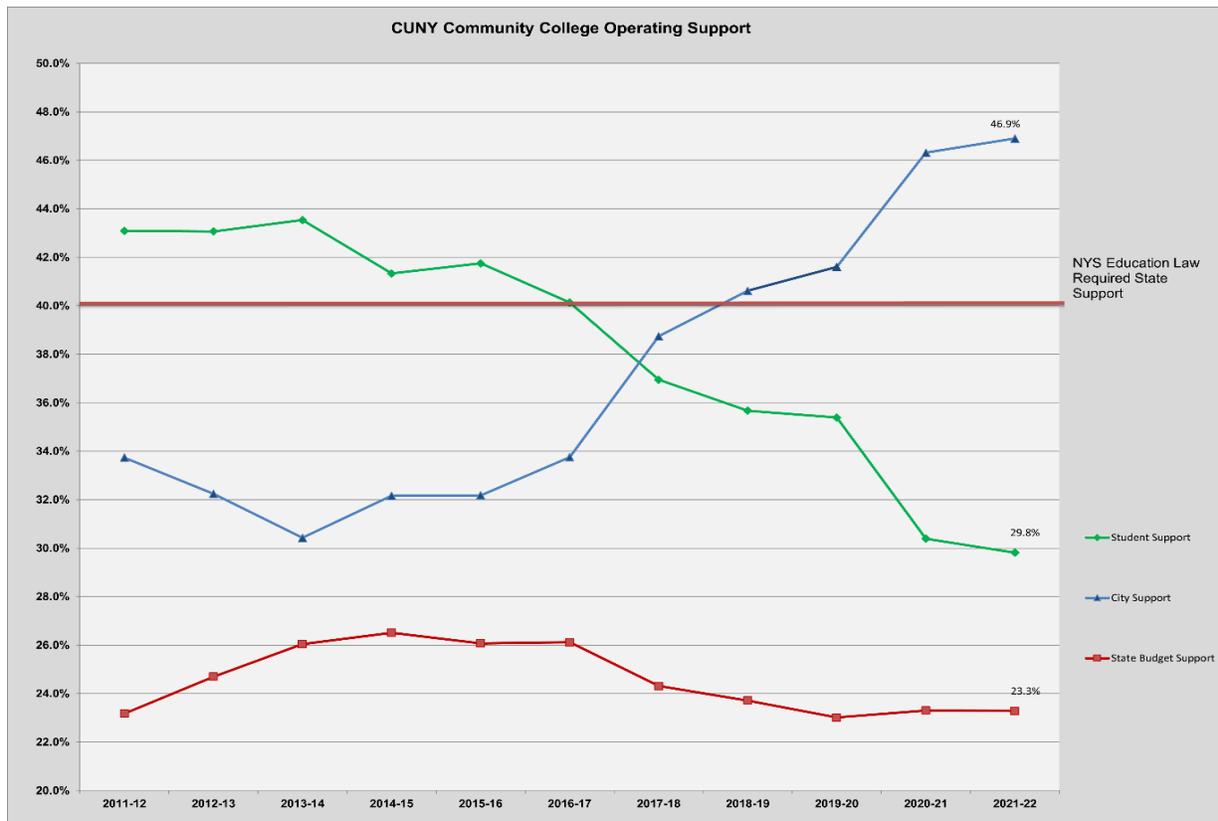
Notwithstanding the Legislature’s commitment to community colleges, state funding to these campuses is not commensurate with the provisions of the state education law, which stipulates that the state shall pay 40 percent of the operating costs of these campuses. As I am sure you are aware, the state is not meeting this obligation and, in fact, has not done so for fifty years.

To make matters worse, despite declining enrollments, their funding continues to be based on the deficient 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 COVID-19, our community colleges were grappling with slowly declining enrollments. According to SUNY, New York State'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. 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 double digit percentage drops. (e.g., over 20% at Nassau 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.

In this year's executive budget proposal, community colleges are slated to receive 100 percent of what they received in 2021-2022. While this measure will help to temper the financial impact, it does not provide enough support. Accordingly, we are asking the Legislature to give our community colleges 100 percent of what they were allocated in 2018-2019, before they were ravaged by COVID-19.

### **Tuition Assistance Program (TAP) Gap**

I would like to thank the Legislature for its tireless advocacy and support, and Governor Hochul for her commitment to closing the TAP-Gap this year. As you know, this will close the door on a decade-long practice that forced institutions that educated our neediest students to cover the difference in the maximum TAP award and their tuition. Eliminating the TAP-Gap will free up millions of much-needed dollars for our institutions of public higher education.

## **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 2022-23 executive budget proposal continues the alarming trend of dramatically underfunding the three State University of New York Hospitals in Syracuse, Brooklyn and Stony Brook. 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.

This mission funding was vital for these 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. This includes funding to grow and expand the services needed to keep up with the various advances in health care and the challenges posed by COVID-19 and its variants. Properly funding these vital teaching institutions will provide security and help ensure that New York is ready for the next health crisis. We would ask that this 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 New York 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 provide \$68 million to cover the SUNY Hospitals’ debt service as is done for every other state agency.

Expecting these hospitals to continue to perform at the high levels they have been, despite chronic underfunding, is unrealistic. Denying adequate funding, continuing to find new ways to cut funding and failing to recognize the sacrifices of our members who work at these institutions, is unfair.

While we are thankful for the executive budget proposal to include \$150 million in capital funding for alterations and improvements to SUNY Upstate, SUNY Downstate and SUNY Stony Brook, these hospitals, their patients and the front-line heroes who work in them deserve more.

You will hear more from Dr. Kowal regarding the impact of the executive budget on the SUNY hospitals.

## **Student Financial Aid and Opportunity Programs**

NYSUT was pleased to see that the executive budget proposal increases funding for student opportunity programs that expand student access and remediation services for students in need. We were also happy to see the expansion of the TAP program to cover part-time students.

## **Teacher Shortage/Teacher Diversity**

All students benefit from a diverse educator workforce. As New York's student population has grown increasingly diverse — students of color make up 56 percent of the total enrollment — the teacher workforce remains 80 percent white. Additionally, New York is facing a teacher shortage, as evidenced in part by a 50.4 percent decline in enrollment in New York State teacher education programs since 2009.

NYSUT, through its Take a Look at Teaching initiative, is working to develop a robust educator pipeline in New York State to encourage young people and career changers to pursue careers in teaching and to increase diversity in the educator workforce. At the core of the initiative is the development and expansion of grow-your-own (GYO) initiatives that cultivate relationships between P-12 school districts, higher education and community partners. These GYO programs provide valuable early experiences for students considering a career in education and help strengthen ties to community groups supporting students and families outside of school.

As we look to address the current educator shortage, New York must support and strengthen pathways for aspiring educators — including new students, career changers and teaching assistants — and remove impediments to teacher preparation and certification.

NYSUT looks forward to working with the Legislature and the governor over the next couple of months as you craft and pass the state budget before the April 1 deadline. There are many excellent programs contained in the Aid to Localities bill, in the Urban Development appropriation language, such as teacher residency programs and paraprofessional career ladders that can be coupled with the initiatives mentioned in our Future Forward Report, such as NYSUT's long-standing Take a Look at Teaching initiative and Implicit Bias Training program, which you helped us realize with a \$1 million grant last year. That program is up and running, with 64 trainers across the state. This year, we are asking for your assistance in expanding this worthwhile endeavor with a \$2 million grant.

NYSUT is supportive of the teacher opportunity corps program and SED's request of \$5 million to support this initiative. This program provides prospective teachers who need additional support in addressing learning needs and other issues that interfere with their academic performance. The teacher opportunity corps program increases the participation rate of historically underrepresented and economically disadvantaged individuals in the teaching profession. NYSUT strongly believes this program is key to diversifying the profession.

We would like to thank the Legislature for continuing to pass measures, despite vetoes from the previous governor, such as the GRE/GPA bills, which remove unnecessary barriers for would-be educators. We would also like to thank Governor Hochul for signing those bills into law. We look forward to working with the governor and the Legislature as we seek to expand and diversify New York's teaching workforce.

## **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 this year and provide funding for a strong investment in the core instructional budgets of CUNY and SUNY. A significant investment is needed to reverse the impact from years of flat-funding and to ensure that we are providing our students the first-rate education they deserve.

Today we are asking that you stand with us to ensure that the choice to pursue a higher education will not be taken away from those who can least afford to lose it. We also ask that you build upon the gains outlined in the executive budget proposal and help us secure additional aid for our colleges, universities and teaching hospitals so they may continue to provide the high-quality services New Yorkers deserve and have come to expect.

Again, 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. I will now turn it over to Dr. Kowal and Dr. Davis.

GA/AB/ARR  
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