



TESTIMONY
The Professional Staff Congress/CUNY

**Maintenance of Effort Legislation
For The City University of New York (CUNY)**

NY State Assembly Higher Education Committee

December 5, 2018

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**Testimony on Behalf of
The Professional Staff Congress/CUNY
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Good afternoon Assemblymember Deborah Glick. Thank you for giving us the opportunity to testify today. We also thank you for championing the cause of affordable, quality public higher education and for repeatedly sponsoring Maintenance of Effort legislation (A10620/S7259A) that addresses the aspirations of New Yorkers across the state for a college education. We thank Senator Kenneth LaValle, who sponsored the bill in the Senate, and the legislators who have given the MOE bill their near-unanimous support—three times.

The current funding model is unsustainable.

Today's hearing could not be more urgent. It raises the fundamental question of whether New York State has a commitment to maintaining two of its most important institutions, CUNY and SUNY, or is prepared to allow public higher education in this state to become so underfunded that both quality and access are destroyed. Without an enhanced MOE that covers the true cost of mandatory increases, CUNY will spiral deeper and deeper into fiscal unsustainability. The result will be either irreparable damage to the country's preeminent public urban university or reliance on an untenable level of tuition increases.

The City University of New York is reaching a breaking point—in large part because the normal costs of doing business are not covered in the State's annual budget allocation to the University. The current funding model for CUNY, even with the present MOE in place, is unsustainable. It forces the University either to cut existing academic programs to make up for the budget shortfall or to rely on huge numbers of low-wage workers as instructors or to escalate the pace of tuition and fee increases (thereby also enlarging the unfunded TAP gap) simply to stay afloat. In the absence of a full MOE, CUNY is being forced to cannibalize its own inadequate budget to cover costs that should be automatically funded by New York State.

There is still time for the Governor to solve the problem with a stroke of the pen, of course. As you know, the enhanced MOE you worked so hard and in bipartisan coalition to pass last year will soon be on the Governor's desk. We call on the Governor to sign it and to enter the first year of his new term as a true champion of public higher education. A progressive governor in a progressive state should seize this opportunity to define the state's values.

I am here on behalf of the 30,000 members of the Professional Staff Congress to call on the Legislature to make this the year in which the unsustainable funding model is ended and a full MOE is enacted. Building on the rising political energy of the statewide elections this fall, lawmakers have a unique opportunity to ensure that restoring stability to the CUNY and SUNY budgets is one of the two or three

economic priorities named by each house of the Legislature. That's what it will take to ensure the funding CUNY needs.

Poverty funding for the university that serves mostly students who live in poverty has become normal operating procedure for New York State. That procedure must be changed. The members of the PSC are counting on the Legislature to make this the year in which New York State refuses to normalize poverty for public higher education. You can do that by passing and prioritizing MOE legislation that ends the cycle of cuts, partial restoration and long-term unsustainability for CUNY and SUNY. We want to work with you to make that happen.

The current Maintenance of Effort, although appreciated, is not adequate.

The PSC profoundly appreciates the Legislature's commitment to the current MOE, established alongside SUNY/CUNY 2020 in 2011 and renewed as the Excelsior Scholarship in 2016. Without it, CUNY's financial condition would be even more precarious. We applaud the bipartisan effort that went into passing the existing MOE and we applaud the Governor's support for its enactment. The current legislation ensures that the executive budget provides the same nominal operating budget allocation as the previous year plus funding for increases in the cost of fringe benefits. The cost in the current fiscal year was \$43 million. But the existing MOE covers only a relatively small segment of annual mandatory increases. It is not enough to stop the steady disinvestment that is now pushing the CUNY senior colleges to the brink of unsustainability.

The current MOE provides that CUNY's funding be no less than it was in the prior year, including increases in the cost of fringe benefits, but without adjustment for inflation. Rent, energy bills, negotiated salary agreements and the costs of equipment and supplies may go up every year, but State funding does not increase to cover them.

The current funding model, combined with enrollment growth and inflation, has resulted in painful disinvestment. Per-student funding from New York State for CUNY's senior colleges has declined since the MOE was enacted in 2011. It declined by 18 percent between 2008 and 2018, and by 4 percent in the years since the enactment of the current MOE. The disinvestment hurts CUNY students, diminishes the quality of education, and contributes to students' difficulty in graduation.

There is a direct relation between the level of funding for CUNY and the rate of graduation. We need only look at the ASAP program, which provides about a third more funding per student, to evaluate the effect of increased investment on graduation rates. Outside studies have shown that CUNY students in the ASAP program, who benefit from smaller classes, more resources and free tuition, have a three-year graduation rate more than double that of other CUNY community college students.

New York should enact the enhanced MOE legislation before it is too late to reverse the damage to CUNY.

New MOE legislation that provides coverage for all annual mandatory cost increases, including collective bargaining increases and the TAP waiver credit, is the only reliable solution to the crisis of fiscal unsustainability for CUNY.

In the absence of such legislation in the current fiscal year, New York State has not provided basic costs, including the cost of collective bargaining increases at the senior colleges for contracts that were reached with New York State approval. The University increased tuition and then used those funds to pay for step increases and inflation-level raises negotiated in the contract. The premise of the “CUNY Compact” and of SUNY 2020 was that tuition increases would be used to add programs and resources, not to keep the lights on and the bills paid. That premise has been betrayed.

Every year for three years, the CUNY senior colleges have been required by the University to set aside approximately 2 percent of their operating budgets in order to pay for agreed-upon collective bargaining increases. And these were not extravagant increases; they barely kept level with inflation. The PSC is in contract negotiations now. Another unfunded contract would deeply damage the University.

While a 2-percent cut each year may not sound catastrophic, the cumulative effect of such cuts, on top of an already inadequate budget, is severe. We are in the midst of a slow-motion economic crisis at the CUNY senior colleges. A single multi-million cut would be more visible and, perhaps, more easily challenged. But the effect of an annual, unabated erosion of funds is no less devastating. It is that effect that an enhanced MOE would reverse.

There is not a single day on which I do not receive a message or call from a member of the faculty or staff at a CUNY senior college about the damage being done by budget cuts at their campus. The senior colleges face shortages of supplies and equipment, broken computers, reduced hours for writing and tutoring centers, even reduced hours for libraries. What message is a college sending to its students about the importance of their education when it limits hours at college libraries? Bear in mind that many CUNY students do not buy the books for their courses because they cannot afford them. They rely entirely on college libraries. Cutting library hours means attacking their education, their likelihood of graduation. CUNY--wide, libraries were cut by \$3 million between 2014 and 2016, and the disinvestment has continued especially for libraries at the senior colleges. The college libraries cannot afford to keep publication subscriptions up to date, and some cannot afford books. The York College library relies on the largess of its student government to buy books.

CUNY students, full-time faculty, staff and adjuncts pay the price for NY State’s failure to fund basic annual costs.

The chronic underfunding due to the absence of support for basic annual costs has taken its deepest toll, perhaps, on academic departments. Course offerings are reduced, sections are cut, and students suffer. A recent survey by the CUNY administration showed that 22 percent of students report being unable to register for a course needed for graduation. Classes are frequently overcrowded. A History professor at Brooklyn College has testified about having 40 students in his class, but only 36 desks. Even without

enough desks for the students in his own class, the class was interrupted more than once by students from a neighboring classroom foraging for desks and chairs.

Eight years ago, the Writing Center at John Jay College was open to students for 50 hours each week. This year, it is open for only 36 hours. Just four years ago, the John Jay Writing Center employed 49 tutors and provided about 9,000 one-on-one tutoring sessions annually. Today, it employs 32 tutors and offers 7,600 sessions per year.

Without additional funding for mandatory cost increases and collective bargaining, there is often no money to replace faculty and staff who leave or retire. This academic year in particular, new hiring of full-time faculty has been minimal at most senior colleges. Academic departments, libraries and student services routinely lose a net number of positions; some run on skeleton crews. The shortage of academic and psychological counselors has reached a crisis point. CUNY's Board of Trustees recently approved a system of electronic advising by that will ration and triage advisement.

Salaries for full-time faculty and staff remain uncompetitive because CUNY does not have the funding to negotiate salaries that are even close to those at comparable public universities like University of Connecticut and Rutgers University. And salaries for part-time faculty, adjuncts, are a disgrace. The number of adjuncts at CUNY has nearly doubled since 2000. CUNY's reliance on low-wage workers to teach more than half of its courses is the surest sign of its austerity funding. Adjuncts are paying a terrible price for the State's failure to maintain full funding. Their pay averages \$3,500 a course, the equivalent of \$28,000 per year. New York State must relieve the structural underfunding of CUNY through a full MOE and free up funds to end the poverty-level pay of CUNY's 12,000 adjuncts.

Without State funding to cover its rising costs, the University gouges its own budget and increases tuition to make up the difference—31 percent at the senior colleges since 2011. (Nominal tuition has increased 68 percent since 2008.)

Tuition hikes are not the right way to fund CUNY. The annual tuition increases were intended to improve academics and student services, not to fill budget gaps. That was the reason many legislators agreed to vote for the SUNY/CUNY 2020 bill.

The tuition increases are not harmless, as is often implied. Yes, most full-time students receive financial aid to cover their tuition, but many thousands of poor students fall through the cracks in our financial aid system, which was built for a "typical" student who is no longer typical. CUNY students tend to be older. They work. They support children. They commute long distances. 85,000 of them attend CUNY part-time. Tens of thousands are not eligible for TAP, and even those who are cannot use TAP funds to cover fees that are in addition to tuition. Tuition and fees cannot just be endlessly raised to make up for failure to fund basic costs. A model based on requiring students to subsidize New York State by covering costs that should be funded with public dollars is not sustainable.

The enhanced Maintenance of Effort bill would provide a structural solution to the "TAP gap."

The enhanced Maintenance of Effort bill awaiting the Governor's signature would also provide a structural solution to the "TAP gap" caused by the legal requirement that CUNY provide eligible students with a "TAP waiver credit," equivalent to the difference between the rate of tuition and the maximum TAP award. That is lost revenue, revenue CUNY would have received if the State fully funded TAP awards for CUNY students. The TAP waiver credit makes the State's disinvestment less visible. CUNY and SUNY need a permanent structural solution to the TAP gap. Without it, the universities are penalized financially for every student they enroll who receives TAP.

The goal of the policy is to shield low-income students from tuition hikes, a goal we support. The tuition waiver does protect many—but not all—low-income students from the effects of tuition hikes. But it deepens CUNY's underfunding by forcing CUNY to absorb the difference between the \$5,000 TAP award limit and tuition. For example, CUNY would absorb the difference between \$6,730 and \$5,000: a sum of \$1,730 for a student receiving the maximum TAP award.

This year, CUNY will absorb \$59 million in TAP tuition waivers. Next year, the cost could be \$70 million.

New York State is in the midst of an historic political shift. The change in control of the Senate means the Legislature will be much different next year. Voters are turning out in elections and demanding more of the lawmakers who represent them. Now, when much of the nation is looking to New York for proven progressive leadership, it's time to make investments in the public good a priority.

Governor Cuomo could make a powerful start by signing the enhanced Maintenance of Effort bill (A10620/S7259a) and honoring its intent by providing the funding below as a baseline for next year's CUNY budget allocation. In FY 2020, the total would be approximately \$220 million.

- \$50 million for mandatory fringe benefit increases;
- \$40 million for rent, energy, other mandatory cost increases, including salary step increases;
- \$60 million for one year's prospective collective bargaining costs;
- \$70 million to eliminate the "TAP gap."

A commitment to cover CUNY's basic mandatory cost increases would stabilize the senior college operating budget and allow the Legislature, the Governor and the University to work together to build on that base. The PSC will present our vision for the full investment CUNY needs as the budget discussion develops, but any progressive vision for CUNY must begin with a base of stable funding. That base is an enhanced MOE.

We know the Legislature will continue its fight in the coming budget session for quality, affordable public college education. To that end, we urge you to speak up in conference with new urgency for the needs of CUNY students and CUNY workers. Full funding of CUNY must be a priority in the Assembly budget resolution and at the Joint Conference Committee.