



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:

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United University Professions

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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.