



UNITED UNIVERSITY PROFESSIONS

Testimony on the 2024-2025 Executive Budget

Presented to

Senator Liz Krueger, Chair
Senate Finance Committee
and

Assemblymember Helene E. Weinstein, Chair
Assembly Ways and Means Committee

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Chairperson Krueger, Chairperson Weinstein, distinguished members of the Senate Finance Committee and Assembly Ways and Means Committee, thank you for inviting United University Professions (UUP) to testify on the 2024-2025 Executive Budget.

My name is Dr. Frederick E. Kowal, and I am the president of UUP, the largest higher education union in the country. It is my honor to represent more than 37,000 academics and professionals who work at SUNY. Our members live and work in communities across the state of New York, serving hundreds of thousands of students and patients at 29 SUNY comprehensive, technical, specialized and university centers, SUNY academic medical centers and state-operated public teaching hospitals, and System Administration.

I would like to begin by thanking you for your unwavering support for the SUNY system. We are immensely grateful for the Legislature's achievements in last year's enacted budget, including an additional \$163 million in operating aid, a rejection of differential tuition and state coverage of hospital debt service payments. We appreciate your strong advocacy for public higher education, which supports UUP members, students, and our entire state.

UUP fully endorses Gov. Kathy Hochul's vision to make SUNY the nation's premier system of public higher education. However, the 2024–2025 Executive Budget does not make adequate investments to realize that goal. In this testimony, I will highlight the most critical needs of our campuses and hospitals. These needs must be addressed in this year's budget to ensure a sustainable future for our University system and for our state.

SUNY Downstate: Stop SUNY's Hospital Closure Plan

UUP stands in firm opposition to the Chancellor's plan to close the hospital at SUNY Downstate Health Sciences University in Brooklyn. This plan has been shrouded in secrecy and was developed without any input from the community or stakeholders. Closing Downstate will be a huge loss for the Central Brooklyn community, which relies on the hospital's specialized health care services.

As a public teaching hospital, Downstate treats all patients who walk through its doors, including patients without insurance or are unable to pay for care. It also provides state-of-the-art procedures that other hospitals can't or don't offer. The vast majority of Downstate's patients — nearly 90 percent — are on Medicaid, are underinsured or have no health insurance.

Incredibly, the state chose to bypass Downstate's hospital for Section 1115 waiver funding after receiving \$2.2 billion in waiver funding from the federal government. Instead, those dollars were directed to bail out cash-strapped private hospitals in the Bronx, Brooklyn, Queens and

Westchester counties. While we have no problem with these hospitals receiving this funding, we question why Downstate did not receive any waiver dollars.

I am deeply concerned by the chancellor's efforts to shrink and consolidate the SUNY system, first at SUNY Potsdam, then SUNY Fredonia, then Clinton Community College, and now at Downstate. This is a pattern that must be stopped immediately. We must protect our state's great public university system.

UUP's end goal isn't simply to end the plan to shut down Downstate's hospital. Our union has an alternative vision that will set Downstate on the path to a sustainable future and enable it to meet the health needs of the Central Brooklyn community and the entire borough.

I urge you to pass S.6956 (Myrie) / A.7546 (Cunningham), which would require the Commissioner of Health to develop a sustainability plan for Downstate. I also ask that you consider providing capital investment to upgrade the facility at Downstate and short-term operating aid to keep the hospital open while it undergoes improvements.

We acknowledge that changes need to be made. But closing Downstate is not the answer. This will lead to at least 10–20% of the hospital's employees—exclusively UUP members—losing their jobs. This is unnecessary and unconscionable, especially considering the selflessness Downstate employees demonstrated at the height of the pandemic in New York. In March 2020, Cuomo declared Downstate a COVID-only hospital. That forced the institution to suspend all revenue-raising services, leading to a deficit of over \$160 million.

UUP's members at Downstate who live and work in the Central Brooklyn community, and the community itself should have a central role in determining the future of their hospital. UUP, along with our members and the community, stand ready to work with the Legislature and the governor to develop a financially sustainable path forward for Downstate. The hospital is designated by the New York State Department of Health as a Regional Perinatal Center, which means it provides the highest quality of perinatal care.

We would love to see Downstate expand upon this strength by creating a Maternal and Childcare Services Center, which could be a leader in addressing maternal morbidity rates. The hospital also offers other specialized services that other nearby medical centers do not. For instance, SUNY Downstate offers the only kidney transplant program in Brooklyn—and hospital administrators have admitted the future of this vital program is uncertain under the chancellor's plan. Downstate must remain open as a state-operated hospital, staffed with union-represented public employees, to meet the health needs of its community and beyond.

Finally, closing the hospital would be detrimental to Downstate's medical school. Clinical faculty have noted that the loss of the hospital will negatively impact students' medical education and financially harm the medical school. Downstate's medical school trains more New York City area doctors than any other medical school, providing a pipeline of diverse medical professionals to

the nation's most populous city. Closing our hospital is clearly at odds with the state's interest in producing health care professionals who are so crucially needed.

SUNY's other public teaching hospitals in Stony Brook and Syracuse also need enhanced support in the budget. Unfortunately, the Executive Budget does not provide that crucial support for Downstate, Stony Brook University Hospital and Upstate Medical University. As in previous years, UUP asks the state to permanently cover debt service payments and employee fringe benefits for those facilities. SUNY hospitals are the only state agency entities required to pay for these costs themselves. This practice is unequitable and unsustainable. SUNY's hospitals are state-operated safety net hospitals. They provide an essential public service and cannot exist without proper state support.

This leads to UUP's other main ask for our hospitals: the restoration of Critical Mission Funding. The Cuomo administration first cut this funding in 2011 and completely eliminated it in 2018. Restoring Critical Mission Funding would equate to \$175 million and is a worthwhile investment in the health of all New Yorkers. Our teaching hospitals treat patients with complex conditions and disproportionately serve patients who are uninsured or underinsured. Naturally, this leads to low reimbursement rates and requires state action to fill in the gap.

Not only are SUNY's hospitals essential to serving the health care needs of their communities, they are essential to training the next generation of health care professionals. Amid the drastic health care provider shortages across the state, we cannot afford to underfund SUNY's public teaching hospitals.

Stabilize the SUNY System

UUP appreciates the investments that Gov. Hochul makes in SUNY in this budget, including an additional \$54 million in operating aid and the maintenance of \$163 million in operating aid that was established last year. However, this funding is not enough to make up for over a decade of state neglect under former administrations. The drastic cuts made to SUNY over nearly two decades cannot be undone in one year, and we need another strong investment for SUNY in this year's budget.

In addition, I would like to highlight that the \$163 million did not achieve our goal of closing deficits at SUNY's 19 fiscally distressed campuses. The SUNY Board of Trustees misallocated these funds, directing about half to the university centers, three-fourths of which are on sound financial footing. Only SUNY Empire State University was able to close its deficit.

UUP requests \$139 million in operating aid to close the deficits at the remaining 18 campuses with deficits. This funding must be allocated directly to the campuses within the bill language. Our campuses cannot afford to miss out on crucial operating support again due to the Trustees' discretion.

Figure I, below, shows the deficits at 18 SUNY campuses. We hope that you can incorporate these numbers into the final budget language to ensure the funding goes to the campuses that truly need it.

Figure I. 2024 SUNY Campus Deficits

Campus	2024 Deficit / Additional Operating Aid Needed (\$)
Albany	14,700,000
Brockport	5,900,000
Buffalo State	16,000,000
Canton	5,000,000
Cobleskill	4,000,000
Cortland	10,000,000
Delhi	5,700,000
ESF	10,100,000
Fredonia	17,000,000
Geneseo	10,000,000
Morrisville	4,300,000
New Paltz	8,000,000
Old Westbury	2,600,000
Oneonta	1,700,000
Oswego	5,400,000
Plattsburgh	3,600,000
Potsdam	9,000,000
Purchase	6,000,000
Total	139,000,000

(Deficit Source: Fall 2023 UUP/SUNY Labor Management Meetings)

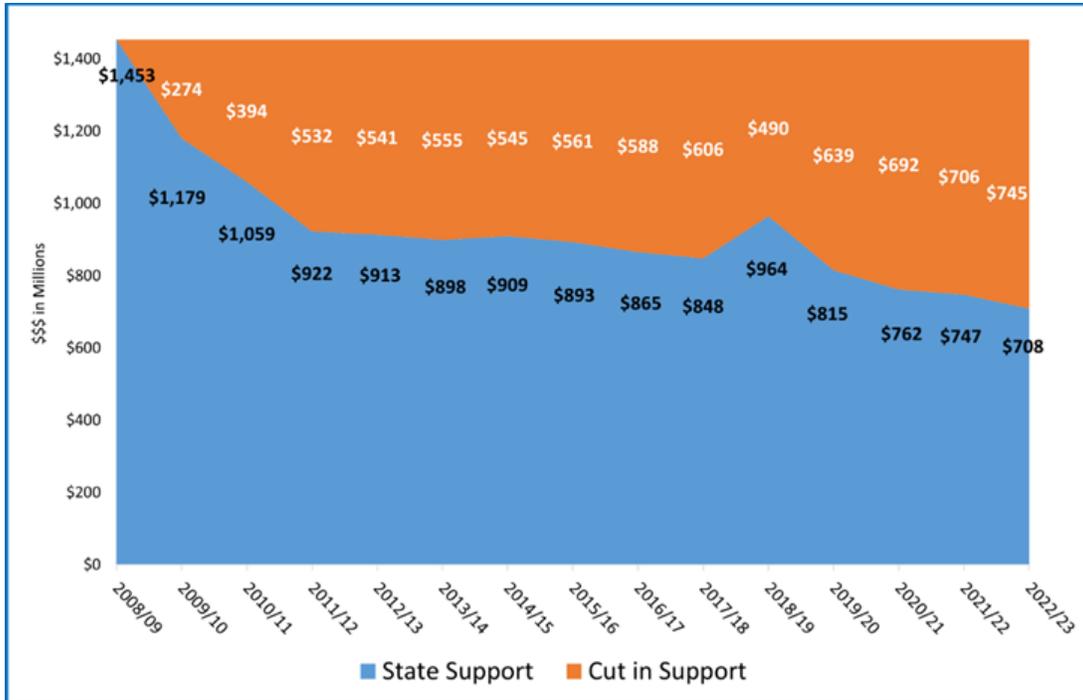
UUP is also requesting \$110 million in operating aid across the SUNY system. This funding would help campuses improve their academic programs and student services. Due to the state’s financial neglect for over a decade, campuses have struggled to invest in new programs. The Cuomo administration slashed funding for SUNY during the 2008 fiscal crisis and failed to restore the cuts afterwards.

Figure II demonstrates that since state fiscal year 2008–2009, the state has reduced direct support for SUNY by more than \$7.8 billion, when adjusted for inflation.

Figure II. Direct State Support for SUNY (Excludes SUNY Teaching Hospitals)

Since SFY 2008-09, the state has reduced direct state support by a total of over \$7.8 billion, or 39%.

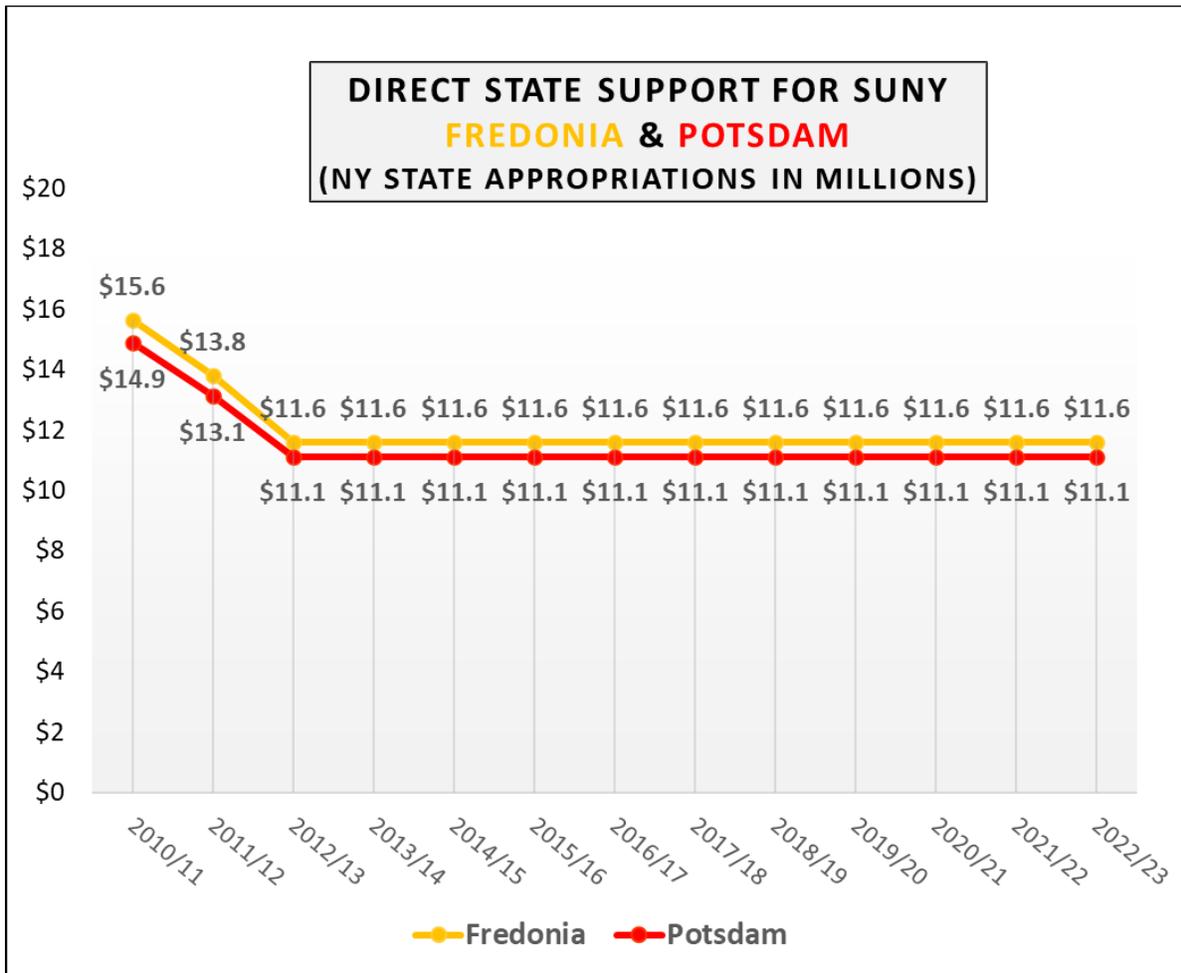
(\$ in millions and adjusted for inflation)



Without additional operating aid, campuses will be forced to make unnecessary cuts. For instance, program and faculty cuts have been announced at SUNY Potsdam and SUNY Fredonia due to budget deficits.

Figure III illustrates the steep decline in funding and then flat budgets for a decade to these campuses. Rather than blame the campus or enrollment, we must acknowledge the harmful effects of prolonged financial starvation of these institutions. Given rising costs over time, it is impossible for Potsdam and Fredonia to be fiscally sustainable when they are receiving less funding than in 2010.

Figure III. Direct State Support for SUNY Potsdam and Fredonia Campuses



(Source: NYS Enacted Budget Bills)

SUNY desperately needs an infusion of cash to ameliorate the effects of prolonged underfunding. This investment will allow campuses to better meet the needs of students and the current workforce needs. By improving their programs and services, SUNY institutions can better attract and retain students. Furthermore, SUNY is in an excellent position to train students to address current workforce shortages, such as in teaching and nursing. This investment is not just an investment in SUNY; it is an investment in the state's future.

According to a 2018 report by the Rockefeller Institute of Government, every \$1 the state invests in SUNY yields a return of \$8. Clearly, a substantial investment in SUNY is well worth it and is financially feasible given the current reserves of \$19.5 billion.

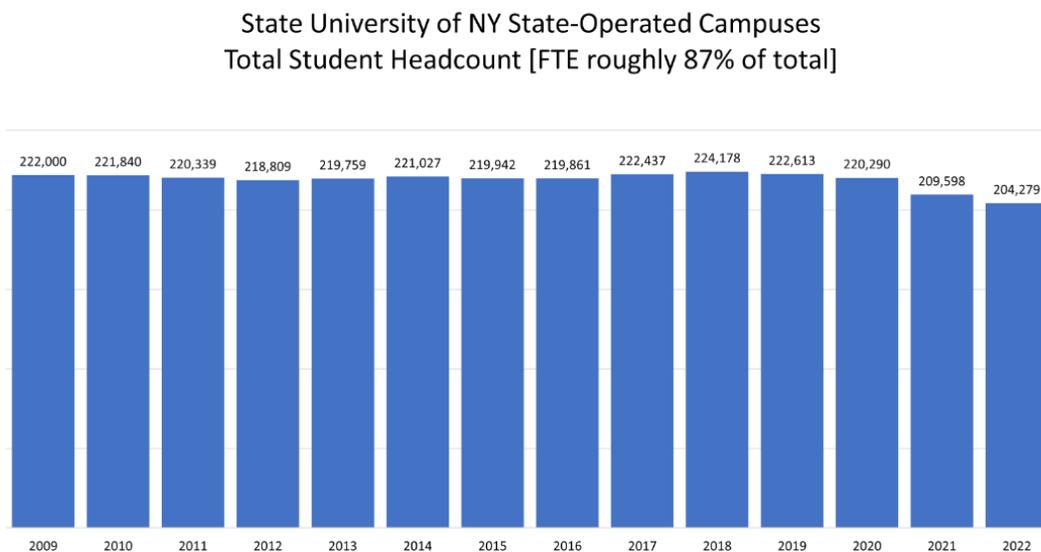
Insufficient funding for SUNY is undoubtedly the root cause of the fiscal crisis that campuses are facing. The answer is to fully fund SUNY. If we do not take action now, we are only hurting

ourselves in the future. The need for highly educated citizens and workers is only growing, and New York needs a robust public higher education system to meet the myriad challenges we face as a society, including health care needs, climate crises, and more.

Additionally, the so-called “enrollment crisis” that some use to justify cuts to SUNY is a state-manufactured crisis. Research has consistently found that less state appropriations leads to higher costs and lower enrollment.¹ Years of accumulated state funding cuts to SUNY—totaling billions of dollars—have caused declining enrollments at the majority of SUNY campuses. These cuts have eroded the campuses’ ability to provide access to those who could most benefit from a public higher education—namely, low-income and underrepresented students, including students of color. Increasingly, research is showing that state appropriations impact the ability of public colleges and universities to attract and retain students.²

To reiterate, enrollment declines can be attributed to insufficient state funding. Furthermore, the recent declines at SUNY are modest, not crisis levels that would justify drastic program cuts. Figure IV below shows the small decline in enrollment.

Figure IV. SUNY State-Operated Campuses Total Student Headcount



And, in fact, enrollment increased across SUNY this past year. For the first time in a decade, SUNY experienced a year-to-year total system-wide enrollment increase. Enrollment increased by 1.1 percent from Fall 2022 to Fall 2023 for a total of 367,542 students. In addition, undergraduate first-time student enrollment is up across all sectors, with a 4.3 percent system-wide increase from Fall 2022 to Fall 2023.³ It is likely not a coincidence that this jump in enrollment occurred in the same year SUNY received historic amounts of funding. Also

important to note, New York state is not facing a “demographic cliff” that some have alluded to. New York is actually graduating more high schoolers than before. The total number of K–12 students is declining slightly, but graduation rates are improving, leading to more college-eligible high school graduates. New York state must make the proper investments to ensure these students can both access and complete a degree at SUNY. There is clearly no demographic evidence on which to justify cuts to SUNY.

SUNY Opportunity Programs

A final key priority for UUP this year is maintaining funding for student opportunity programs. The Executive Budget proposal eliminates the additional funding the Legislature provided for EOP. This results in a loss of \$1.29 million, leaving the program total at \$42.4 million. We worry that this loss of funding will negatively impact students’ ability to complete a degree at SUNY, especially for the most disadvantaged students.

EOP is one of the highest performing college access programs in the country.⁴ For more than 50 years, EOP has supported academically underprepared students with limited financial means and helped them succeed. It has helped over 85,000 students earn a college degree and has helped promote upward social mobility and financial prosperity. Furthermore, the relatively new Pre-Medical Opportunity Program supports students earning their advanced degrees from SUNY medical centers, helping to address the state’s critical need for health care professionals and diversity in the health field. UUP is also advocating for the creation of a Mental Health Educational Opportunity Program (MHEOP). Building on the successes of EOP and the Pre-Medical Opportunity Program, MHEOP would train a diverse cohort of mental health professionals to meet the crisis levels of mental health care needs in our state.

SUNY’s student opportunity programs need significantly more funding, and this investment would support enrollment at SUNY. EOP provides support to students who would otherwise be unlikely to attend college. Student opportunity programs help students overcome the most significant barriers to attaining a college degree, namely high costs and academic under-preparedness. SUNY’s student opportunity programs boast decades of successful metrics, and investing in these programs will provide upward mobility to more New Yorkers and help meet workforce needs in critical areas such as medicine and mental health.

Conclusion

UUP appreciates your steadfast support for SUNY and fully supports the governor’s goal to make SUNY a world-class system of public higher education. To achieve this goal, SUNY needs substantially more support in this year’s budget. Given the recent attacks on SUNY, from fiscally starving campuses to closure attempts, the system desperately needs the Legislature’s support.

It is absolutely crucial that SUNY be a major priority in this year's enacted budget, not just for the SUNY system, but for New York state as a whole.

Thank you for the opportunity to testify today.

Endnotes

¹ Michael Mitchell, et al., "State Higher Education Funding Cuts Have Pushed Costs to Students, Worsened Inequality," *Center on Budget and Policy Priorities* (2019), <https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students>. See also Steven W. Hemelt and Dave E. Marcotte, "The Impact of Tuition Increases on Enrollment at Public Colleges and Universities," *Educational Evaluation and Policy Analysis*, September 2011; and Donald E. Heller, "Student Price Response in Higher Education: An Update to Leslie and Brinkman," *Journal of Higher Education*, Vol. 68, No. 6 (1997), pp. 624-659.

² Braga J. Bound, et al. "Public Universities: The Supply Side of Building a Skilled Workforce," *RSF: The Russell Sage Foundation Journal of the Social Sciences*, Vol. 5, No. 5 (2019), pp. 43-66, <https://doi.org/10.7758/RSF.2019.5.5.03>; Sarena Goodman and Alice Henriques Volz, "Attendance Spillovers between Public and For-Profit Colleges: Evidence from Statewide Variation in Appropriations for Higher Education," *Education Finance and Policy*, Vol. 15, No. 3 (2020), pp. 428-456, <https://eric.ed.gov/?id=EJ1259719>; Tomás Monarrez, et al., "Impact of State Higher Education Finance on Attainment," *Urban Institute* (2021), <https://www.urban.org/research/publication/impact-state-higher-education-finance-attainment>; and Philip A. Trostel, "The Effect of Public Support on College Attainment," *Higher Education Studies*, Vol. 2, No. 4 (2012), pp. 58-67, <https://files.eric.ed.gov/fulltext/EJ1081362.pdf>.

³ "Governor Hochul Announces Increased Enrollment Across SUNY Campuses," *State University of New York*, Nov. 15, 2023, <https://www.suny.edu/suny-news/press-releases/11-23/11-15-23/enrollment.html>.

⁴ "SUNY's Educational Opportunity Program (EOP)," *State University of New York*, <https://www.suny.edu/attend/academics/eop/>.