

**Testimony of Chancellor Félix V. Matos Rodríguez
The City University of New York**

**Joint Finance and Higher Education Committee Hearing
on the
Fiscal Year 2024 Executive Budget Proposal**

Tuesday, May 9, 2023

Good afternoon, Chair Brannan, Chair Dinowitz, and members of the New York City Council committees on Finance and Higher Education, staff and guests. I am Félix Matos Rodríguez, Chancellor of The City University of New York. I am joined this afternoon by Executive Vice Chancellor and University Provost Wendy Hensel, Executive Vice Chancellor and Chief Operating Officer Héctor Batista, and Interim Vice Chancellor and Chief Financial Officer Christina Chiappa. Thank you so much for the opportunity to testify.

I am extremely honored and humbled to lead the premier and largest urban public university in the United States, serving approximately 226,000 degree-seeking students, 150,000 in adult and continuing education programs, and 40,000 faculty and staff at our 11 four-year colleges, seven community colleges and seven graduate and professional schools. In my four years serving as CUNY's Chancellor, I have had the privilege of assembling a talented executive cabinet and roster of college presidents of unprecedented diversity who reflect the City we live in and the students we serve. On behalf of the entire CUNY community, I want to thank Mayor Eric Adams and the entire City Council for your sustained and steadfast support.

New York State FY 2024 Budget

Turning for just a moment to the State budget, we are very thankful to Governor Hochul and the State Senate and Assembly for significant investments in CUNY that will help us build on programs that promote academic success and expand career opportunities for our students. The University received \$132.8 million in new operating appropriations in the State's fiscal year 2024 executive budget, of which \$50 million is one-time transformational funding that can be used by both senior and community colleges. The state budget also includes more than \$1 billion for infrastructure throughout the system.

The State budget was supportive of our community colleges, which have been financially struggling due to City Programs to Eliminate the Gap ("PEG") and declining enrollment. The University's FY2024 State budget request asked the State to retain a funding floor for budget stability and we are appreciative that the State-enacted budget includes a 100% funding floor against the fiscal year 2022 level.

FY 2024 Proposed Executive Budget

Impact of City Budget Cuts

Before discussing specific proposals in the Executive Budget, I must address the budget cuts caused by the City PEGs. The University started this fiscal year with a \$20.6 million baselined PEG. Through the financial plans issued since that time, that PEG has now grown to \$39 million for fiscal year 2023 and \$61.2 million for fiscal year 2024 baselined. The PEGs, along with decreases in tuition revenues, have had a significant impact on our community colleges' operations, student services and programs. While we have been able to manage some of the PEGs' impact with federal stimulus funding during the pandemic, that funding is not recurring.

Let me share how PEGs have impacted a sampling of CUNY-wide programs and initiatives.

One example relates to CUNY's Accelerated Study in Associate Programs, better known as ASAP. ASAP has garnered national recognition and has been replicated at 11 institutions across six states, and a new six-year follow-up study of ASAP replications in Ohio found that the programs in that state increased graduation rates by 50 percent, boosting the attainment of both associate and bachelor's degrees. As such, the United States Department of Education continues to highlight ASAP, and includes ASAP among the evidence-based models promoted through its Postsecondary Student Success grants.

Because of the the PEGs, CUNY has reduced the ASAP budget by \$13 million, leading to a reduction in annual enrollment from 25,000 students to 20,000 students. Consequently, each year there will be 5,000 fewer community college students who receive \$1,800 in annual financial support for tuition, subway fares and textbooks. Additionally, there will be about 1,250 students per year who would have completed their associate degree within three years and will now take much longer to finish their degree or will never finish it all. This will also impact the enrollment of our senior colleges because there will be fewer students transferring to their campuses. That's a tragedy for those students and a huge loss of talent for the City and State.

Other examples of PEG impacted CUNY-wide programs include:

- The CUNY Tutor Corps budget, which has been cut 71%, to \$4.1 million. The program brings current CUNY students who are studying math, computer science, technology and education into NYC public middle and high schools to provide tutoring and support classroom teachers. Tutor Corps previously reached 28,000 NYC public school students by placing 275 tutors in 200 schools; now the program is down to about 80 tutors and 8,000 students.
- CUNY Start and Math Start, pre-matriculation programs that prepare students with significant developmental needs in reading, writing and math. Students in these programs achieve proficiency at rates of 67% for CUNY Start and 79% for Math Start, leading students in these programs to better retention and completion rates over peers who are not enrolled in the programs. A \$1.7 million budget reduction has reduced annual enrollment by about 600 students.

Here are some examples of how the PEGs have already affected our community colleges. The impact could greatly increase in Fiscal Year 2024 and beyond.

- Campuses have experienced a reduction in full-time and part-time faculty and staff in several areas. This reduction impacts programs, the provision of services and the ability to operate at maximum efficiency.
- Reductions in staff within the academic advisement and transfer centers limit students' access to vital resources necessary to navigate and complete degree requirements in a timely manner. Staffing reductions seen within Registrar, Student Financial Aid, Continuing Education and Career Services also directly affect student progress, retention and success.
- Attrition and vacancies continue to rise on campus due to retirements and resignations, especially in areas of faculty and campus leadership roles. This impacts the effectiveness and efficiency of academic departments, including the number of classes they can offer, class sizes and the ability to hire adjuncts.
- Counseling Centers provide a safe environment for students who require guidance and support, and provide healthy ways to cope with stress, anxiety and other mental health concerns. They also are resources to faculty who seek out consultation on concerns they may have regarding their students. Staffing reductions could lead to significant cutbacks to these vital services and higher staff-to-student ratios.
- Information Technology staff vacancies impact the ability to meet IT needs of the colleges, including their access to proper equipment, the maintenance of that equipment and its connectivity, and solving IT problems that relate to all facets of campus operations.
- Reductions in library staff could result in reduced service hours, limiting campus libraries' ability to provide students with onsite access to resources and information while providing a distraction-free environment to study.
- Staff reductions to maintenance and campus operations can impede the quality of care given to our campuses and make it harder to ensure that they are kept safe, clean and well-maintained. This is especially important on campuses that are particularly vulnerable to the outdoor elements because of their size and physical configuration. Maintenance and campus operations will be forced to move from being proactive to reactive, which will increase future maintenance costs and liabilities.
- There has also been a decrease in professional development opportunities for faculty and staff. These opportunities are necessary to support our faculty and staff's professional growth, better serve our student body and increase the morale of our faculty, staff and students.
- Public safety departments have numerous vacancies, requiring staff to work double shifts or overtime in order to ensure 24-hour coverage. This can impact the well-being of our public safety staff and the entire campus community.

The Operating Budget

Now, let me turn to specific provisions of the Mayor's Executive Budget proposal.

We are grateful that there is \$5.8 million for the CUNY Reconnect program, which re-engaged almost 17,000 New Yorkers who began college but stopped out before they completed a degree. The initiative was the brainchild of New York City Council Speaker Adrienne E. Adams, who advocated for its funding and implementation. Thank you to both Committees and the entire Council for your support of this innovative enrollment initiative. This summer, a number of these returning students are taking classes to help their progression toward degrees. We ask that CUNY Reconnect be baselined, given its importance and success.

We are also pleased that the Executive Budget:

- baselines \$4.8 million for the CUNY Inclusive Economy initiative, which aims to connect 100% of CUNY graduates to careers and advanced degrees by the end of the decade;
- provides funding for the Brooklyn Recovery Corps at Medgar Evers College, a paid internship program at Brooklyn-based small businesses and non-profit organizations; and
- includes mandatory cost funding for collective bargaining, fringe benefits, energy and building rentals.

One program not included in the Executive Budget is the Accelerate, Complete, and Engage (ACE) program; this represents an \$9.1 million reduction. All ACE students receive a full suite of comprehensive supports that have been found to significantly increase timely baccalaureate graduation rates for participating students entering as first-time freshmen and as transfer students with an associate degree. We received funding on a year-by-year basis over the last three years and expanded the program to 2,800 students (with 1,750 supported by city dollars and the remainder supported by private foundations). If the City fails to provide these funds, these 1,750 students (including 1300 current students who were promised support for next year) could no longer be served. This means they would not benefit from \$2,800 in annual support for tuition, subway fares, and textbooks, key financial supports that ensure students maintain academic momentum and graduate in a timely manner. Eliminating ACE support ultimately reduces the number of students finishing their bachelor's degree within four years by about 350 students per year. These students will likely take much longer to finish their degree. Loss of city support would also jeopardize foundation support, putting another 1000 students at risk.

A recent study found that the ACE freshman cohort admitted to John Jay College in fall 2017 realized a four-year graduation rate of 60% versus 42% for a comparison group of similar non-ACE students. The first transfer cohort at Lehman College, admitted in fall 2019, realized a two-year graduation rate of 61% versus 30% for the matched comparison group.

Additionally, the Mayor's Executive Budget did not include \$1 million in City STEM waivers. This program enables students to take a science, technology, engineering, math or health course for no additional charge during the summer or winter semester; this improves credit accumulation and speeds degree completion. The reduction means at least 600 to 700 students will lose the opportunity to enroll in a free 3-credit course.

We ask that the funding for the ACE and City STEM waivers be included in the City's fiscal year 2024 budget. This would allow for the continuation of these programs that are so beneficial to students' degree completion.

Additionally, the Executive Budget does not include over \$30 million provided by the Council in Fiscal Year 2023 for programs including Vallone Scholarships, CUNY Citizenship Now!, research institutes, developmental education programs and the CUNY Diversity Incubator, which will become the CUNY Anti-Hate Initiative. While we understand that the Council initiatives are not baselined, we are asking the Council to restore all of these items and enhance some of them.

The Capital Budget

Now I will turn to the capital budget.

The City's Executive Budget proposes \$1.749 billion in capital funds for CUNY over a period of 10 years. The budget included historic funding of \$475.9 million for the SPARC Kips Bay-Brookdale initiative and \$10.2 million in new funding from the City's borough presidents. We are working collaboratively with the Mayor's Office of Management and Budget to more accurately realign the five-year plan with expected start and completion dates of capital projects.

CUNY has 300 buildings comprising 29 million square feet of classrooms, instructional and research labs, computer centers, theaters, athletic and recreational facilities, academic and administrative offices, and other spaces supporting the University's students and mission. The average building at CUNY is more than 50 years old; most are over 30, and some exceed 100. CUNY's focus is on maintaining and improving facilities essential to student success. The projects in our capital program preserve the University's infrastructure, recapture spaces that are under-utilized, improve technology and provide for campus expansion where necessary.

As you may recall from testimony at the preliminary budget hearing, CUNY is taking proactive steps to improve facility maintenance. We are:

- performing a Facility Condition Assessment study to have better control of the existing conditions of each building component and its immediate maintenance needs;
- initiating new CUNY processes for a faster response to open violations and upgrading our building maintenance work order tracking system to improve routine and preventive maintenance tracking; and
- we are realigning our maintenance teams to provide more central support to campuses to improve building maintenance and utilizing best practices to develop standard operating procedures to maintain facilities at excellent, standardized levels across our campuses.

Included in the city five-year capital plan are five new high-priority projects that are part of the concerted effort to expedite our capital renewal work. They are:

- HVAC upgrades at seven buildings at Bronx Community College, \$80 million;
- piping and distribution upgrades at Kingsborough Community College, \$20 million;
- a fire alarm project at Borough of Manhattan Community College, \$12 million;
- seawall exterior lighting at Kingsborough Community College, \$2.54 million; and
- a boiler at Queensborough Community College, \$1.5 million.

As you know, senior college capital projects in general are 100% state-funded, with the exception of discretionary funding from some elected officials. Community college funding throughout New York State requires a local entity to provide local matching funds of 50%. The State requires that the City provide the first funding for capital projects for CUNY community colleges, which the State typically matches in its next budget nine months later.

Thanks to the City's and State's past support, we have recently completed 184 projects, allowing us to increase our completion rate by approximately 10%. And currently, we have over 340 active projects throughout the five boroughs, with an estimated budget that remains in construction value of about \$1.1 billion. The University is also focusing its efforts on climate change, sustainability and energy conservation targets.

Recent CUNY Decisions and Recognitions

Before I end my testimony, allow me to recount some of CUNY's recent decisions and triumphs.

Last month, the University announced the end of its emergency vaccination mandate for students, faculty and staff. The end of the mandate will go into effect at CUNY colleges and for all Central Office employees at the end of the spring semester. The decision to lift the vaccine mandate aligns the University with the federal government's plan to let the Public Health Emergency for COVID-19 expire in May.

CUNY is doubling down on our historical mandate to expand access to higher education — particularly to first-generation college students, immigrants and working-class Black and Latinx New Yorkers who bore the brunt of the pandemic's most severe effects and have been most impacted by the enrollment declines that followed. To that end, between March 1 and April 30, 2023, CUNY waived the \$65 application fee for high school seniors at NYC Public Schools. Another initiative to expand access as well as address enrollment and retention is the enhancement and expansion of CUNY Online — the University's in-house solution to increase online education opportunities.

We continue to build on our strong momentum of preparing students to launch careers through paid internships and apprenticeships. Once again, the City has committed over \$8M this coming year to support *CUNY Career Launch* — a program that connects community college students and those without previous internships to paid summer work aligned to their career interests. Part of the Mayor's original commitment to connect over 100,000 youth to summer employment, *Career Launch* will serve another 2,000 students and more than 250 businesses this coming summer. These critical experiences are not limited to private sector opportunities alone. CUNY also will continue to work with 13 City agencies that have committed to offering paid internships through their own budgets. We are also fortunate that the State is investing \$4 million in our *spring* internship program that offers employers the chance to hire qualified CUNY students at no cost, placing 600 CUNY students in small businesses, tech startups, non-profits, corporations, and healthcare organizations this semester. Students participating in the program earn \$20 an hour while gaining experience necessary to secure a job post-college. New York State is also investing \$2 million to add apprenticeship and pre-apprenticeship programs to CUNY associate of applied science (AAS) degrees starting in the Fall of 2023. The 12 new additions build on five existing credit-bearing apprenticeship programs embedded within AAS degrees in software engineering, consulting, finance, risk management and cybersecurity. Students will be placed in

companies that are part of the New York Jobs CEO Council and have committed to provide a path to fulltime roles for participants.

CUNY continues to distinguish itself and be recognized for our excellence and affordability. Recent accolades include:

- The New York Times' new interactive college tool ranked six CUNY senior colleges among the top 10 colleges for students who equally prioritize a combination of high earnings, academic profile, economic mobility, low sticker price, low net price, racial diversity and economic diversity;
- Three CUNY faculty members have been awarded 2023 Guggenheim Fellowships recognizing their careers of exceptional work in the arts and humanities;
- The Rev. Dr. Pauli Murray will be a 2024 honoree for the American Women Quarters Program. This 1933 Hunter College graduate was a lawyer and an inspiration to both Thurgood Marshall and Ruth Bader Ginsburg, an activist, a poet and the first Black woman ordained as an Episcopal priest;
- One student and two recent graduates were among five national winners of the prestigious Blackstone LaunchPad Ideas Competition, putting them atop a group of nearly 2,200 students who entered. The winners received \$10,000 to help develop their ideas for startup companies and products.

Often overlooked, meanwhile, is CUNY's excellence as a research powerhouse. This excellence is propelled by more than 10,000 researchers and staff with growing support from public and private funders. CUNY research grant funds typically total about \$500 million each year, but in the first three-quarters of this fiscal year these funds already exceed that amount and are on track to reach at least \$600 million for the year. More than 2,100 sponsored projects are being carried out by CUNY researchers at all 25 of our institutions. Their work is making measurable differences for the people of our city, state and nation.

All of this is even more noteworthy because of CUNY's diversity. In 2022, the CUNY Graduate Center was found to be the second-most gender diverse of the nation's R1 higher education institutions. Additionally, 20 percent of the Graduate Center's full-time graduate students identify as Underrepresented Minorities (URM).

The Importance of Investing in CUNY

As so many of you recognize, CUNY is an essential component to recovering and rebuilding our communities — especially those that were disproportionately impacted by the pandemic. Nearly 80 percent of our undergraduates are students of color (23 percent are Asian or Pacific Islander; 26 percent are Black, and 30 percent are Latino). More than 80 percent of CUNY graduates stay in New York and contribute to the city's economic, civic and cultural life. Half of our undergraduate students come from households with less than \$30,000 in annual income; 45 percent of our students are the first in their family to attend college, and 50 percent work while going to school.

Our internal analysis shows each dollar invested in CUNY returns a benefit of at least \$15 to New York. That is a fifteen-fold return for New York's long-term economic prospects. Conversely, each dollar of disinvestment reduces our economic potential by \$15. In other words, a \$60 million budget reduction to

CUNY will reduce our City and State's economic potential by \$900 million in present value. Over the course of three years, that's a \$2.7 billion loss.

Normally I would end my testimony sharing with you something I believe in my core: that, while CUNY faces a number of challenges, I am extremely optimistic about the future of this great University. Today I have to add a caveat given my profound concern regarding the impact of the PEGs to the availability of services, staffing and support at our community colleges and the impact that could have on enrollment, retention and graduation rates. Please remember that your investment in and support of CUNY builds a stronger, more vibrant New York — one that is inclusive and benefits all New Yorkers regardless of race, socioeconomic status or immigrant status. I am proud of the CUNY community, as I know many of you are, and certain of our integral role in the lifeblood of New York. With the continued support of our New York State and City partners, the future of our great public university can be bright and sustained.

That concludes my testimony. I would be happy to answer any questions.