

The City University of New York



**Testimony of Executive Vice Chancellor and Chief Operating Officer
Allan Dobrin
The City University of New York
New York City Council Higher Education Committee
“Impact on CUNY of the Mayor’s November Financial Plan”
November 20, 2008**

Good afternoon, Chairperson Barron and members of the Higher Education Committee. I am Allan Dobrin, executive vice chancellor and chief operating officer of The City University of New York. With me today are Vice Chancellor for Budget and Finance Ernesto Malave and Vice Chancellor for Facilities Planning, Construction and Management Iris Weinshall. Thank you for the opportunity to speak with you about the city's proposed November financial plan and its effect on CUNY, especially our six community colleges: Borough of Manhattan, Bronx, Hostos, Kingsborough, LaGuardia, and Queensborough.

I would first like to take a moment to thank this committee, Councilmember Gerson, and the entire City Council for your partnership in acquiring the funding for Fiterman Hall, and particularly you, Chairperson Barron, for your leadership on this important project. It would not have happened without your enduring support, and all of us at CUNY are deeply grateful for it.

In fact, the council's longtime support of our community colleges is undoubtedly the reason that just last week we saw an article in The New York Times (appended to my printed testimony) regarding the unprecedented enrollment growth at these six colleges. With a 6 percent enrollment jump since last year alone, they now serve almost 82,000 students. Our community colleges have also seen a significant spike in applications this fall. As the Times article says, "In September and October—one-third of the application period for the spring semester—the number of applicants who made a CUNY college their first choice was already 15 percent greater than all of last year."

We have been carefully tracking this growth and find it notable that some of the largest enrollment increases across our community colleges are in areas such as nursing and other health services, business operations, fine arts, and engineering technology—areas deemed by the New York State Department of Labor to have a favorable or very favorable occupational outlook.

Clearly, as New Yorkers grapple with the effects of an economic downturn—from layoffs to the need for a second income—they are turning to CUNY's community colleges for targeted career preparation and job retraining. Our community colleges are the city's best engine of workforce development. Almost 90 percent of our graduates are employed within six months of earning the associate degree, and over 94 percent are either employed or enrolled for additional education. CUNY students also stay in New York City: of those who are employed, 93 percent work in New York City, contributing to the city's economy.

The University's highest priority is for our community college students to achieve a degree that will offer them better financial security, which is why we have been so pleased to partner with the city on the Accelerated Study in Associate Programs, or ASAP. The program focuses on intensive study, academic support, special scheduling blocks, and job development in order to help students graduate in a timely way with an associate degree and viable job opportunities. Our inaugural class of almost 1,000 students has completed its first year and is well on its way to meeting that goal. We are very pleased to report that they have a higher retention rate, better GPAs, and have earned more credits than a comparison group.

Our community colleges are committed to helping every student succeed in earning an associate degree. Today, however, they face serious budgetary challenges. The Fiscal Year 2009 Adopted Budget provided \$239.5 million in city support for the community colleges. Although there was no funding provided for the programmatic initiatives outlined in the University's budget request, mandatory cost increases—such as collective bargaining, fringe benefits, energy, and new leased space at BMCC—were fully funded. However, the FY 2009 budget proposal included \$25.7 million in cuts to the community colleges. Fortunately, the City Council was able to restore \$19.8 million. While we are extremely grateful for the council's continued advocacy of the University, the resultant shortfall of \$5.9 million, along with unanticipated payments to the Water Board of \$1.8 million, left our community colleges with a collective \$7.7 million reduction in their FY 2009 operating budgets.

In addition, the FY 2009 Adopted Budget reduced city support for critical financial aid programs—specifically, \$4.4 million from the Peter F. Vallone Scholarship Program and \$500,000 from the Safety Net Scholarships Program. The Adopted Budget also eliminated city funding for the CUNY Citizenship and Immigration Project (\$600,000), the Immigration Center at Medgar Evers College (\$335,000), and the Joseph S. Murphy Institute for Worker Education and Labor Studies (\$250,000).

This past fall, the city announced that all agencies would be subject to a 2.5 percent budget reduction in the current year, which equated to \$5.1 million for CUNY. In order to mitigate the negative impact of these cuts and help preserve instructional and core services to community colleges, the University identified \$2.5 million in reductions to other city-funded University-wide programs. This reduced the impact on the community colleges to \$2.6 million. The colleges were instructed to absorb these cuts while protecting the core instructional mission of the University. Still, some distress will be felt on our campuses, as areas such as libraries, maintenance and operations, and tutoring services will be impacted by these cuts in the current year.

While mid-year reductions are always painful, of greater concern is the Fiscal Year 2010 reduction target of \$9.5 million for the community colleges. Based on the reduction proposals submitted by our colleges as part of the city's PEG initiative, cuts of this magnitude would have a harmful and direct impact on our students. For example:

- At BMCC, as enrollment is growing, the college would eliminate 20 part-time adjunct positions and significantly reduce OTPS expenses in the area of maintenance and operations.
- At Bronx Community College, as enrollment is growing, reductions in peer advisors, who assist in the effective and timely delivery of student financial aid, would negatively impact the student experience.

- At Hostos Community College, as enrollment is growing, instructional staff positions would be cut, resulting in the loss of 38 sections per semester, and evening and weekend services provided by the library would be eliminated.
- At Kingsborough Community College, as enrollment is growing, tutorial services would be reduced, and facility maintenance expenditures would be scaled back, curtailing space utilization efforts to accommodate a growing enrollment.
- At LaGuardia Community College, as enrollment is growing, a reduction of 20 FTE adjunct positions would result in a loss of 180 course offerings and 5,040 class seats. In addition, the expansion of the college's nursing programs, as well as the new radiologic program, would be deferred.
- At Queensborough Community College, as enrollment is growing, a reduction of temp services in the areas of financial aid, health services, admissions, the registrar's office, and testing would negatively impact students' academic progress.

On the capital side, the September capital plan update incorporated the slowdown in capital projects that had been requested over the summer. That slowdown has taken the form of a 20 percent "push" of city funding for projects in each of the fiscal years 2009 through 2012 into fiscal year 2013.

CUNY was required to push \$77 million in city capital funding for fiscal years 2009-2012 into fiscal year 2013. In order to mitigate the impact of this push, the University's first priority was the protection of health and safety and facility preservation funds. We then ensured that the additional funding for both new and reconstruction projects currently under construction, as well as those projects with imminent start dates, was secure in fiscal years 2009-2010. Next, we attempted to protect active projects that have received Certificates to Proceed from OMB but have not yet been registered.

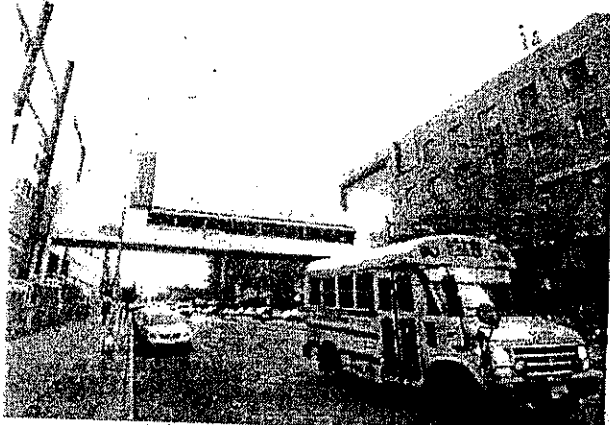
While the impact of this reduction has been felt across nearly all of the CUNY colleges, it is particularly difficult for our community colleges, which require a state match of funding in order to complete capital projects. For many projects that will be delayed, an

equal amount of state funding will not be able to be accessed. Just two of the projects delayed at our community colleges are the renovation of the 8th Floor at Center 3 at LaGuardia Community College and the natural science laboratory renovation at Hostos Community College.

Chairperson Barron and members of the committee, we have always appreciated your support in ensuring that our community-college students receive the best education possible and are prepared to strengthen a workforce very much in need of educated, motivated professionals. This committee has taken the lead in positioning the community colleges as the principal workforce engine of this city. In these difficult times, we again look to you to champion the needs of our community colleges and their students. We are very grateful for the council's continued partnership, and we look forward to working with you to meet our financial challenges and remain the resource to which the city turns during unsettling times. Thank you.

Applications Surge for Courses at CUNY's 2-Year Colleges

By MARC SANTORA



JENNIFER S. ALTMAN FOR THE NEW YORK TIMES

Hostos Community College in the South Bronx now offers nursing courses in the evening and on weekends.

At Hostos Community College in the South Bronx, located in what the 2000 census found to be the nation's poorest Congressional district, 176 people have applied to study nursing this year, up from 135 in 2007.

In Bayside, Queens, admissions officers at Queensborough Community College have been flooded with 200 applications in the past two months from students who recently obtained their high school equivalency diplomas but have had trouble finding work.

And an increasing number of adults looking for a second income have been turning to the continuing education department at La Guardia Community College in Long Island City for classes in taxi driving and computer repair; enrollment in computerized bookkeeping for Windows is up 57 percent.

"This is unprecedented," said Winston Yarde, Queensborough's director of admissions. "When Circuit City lays off hundreds of employees, these are the students who are coming to Q.C.C. to prepare themselves for careers in electronic technology, not just jobs."

After a decade of steady growth, the economic crisis has led to a spike in applications across the City University of New York's community colleges. In September and October — one-third of the application period for the spring semester — the number of applicants who made a CUNY college their first choice was already 15 percent greater than all of last year. In some

fields, like health services, the growth has been even more rapid, as much as 30 percent on some campuses.

The increased demand comes as CUNY is wrestling with how to deal with steep cuts in its budget. New York State has cut \$89 million and New York City \$11 million from CUNY's \$2.4 billion this calendar year. When state leaders gather next week to find some way to make up an expected \$12.5 billion shortfall, school officials expect to take another hit.

In a telephone interview on Monday, Chancellor Matthew Goldstein said he would most likely appeal to the State Legislature and Gov. David A. Paterson to raise tuition next year, noting that it had been five years since

there was an increase; current tuition at CUNY's community colleges is \$2,800 a year, compared with \$4,000 at the system's four-year colleges.

"How do you deal with a declining revenue base and more and more students wanting to come?" he asked. "It is a difficult balance and we worry about it every day."

About 81,000 students attend the city's six community colleges, up from 62,000 in 1999. Past economic downturns in the early 1980s and early 1990s also spurred enrollment at the schools, and Dr. Goldstein said CUNY's success would be measured by how quickly its leaders shift resources to bolster programs that are in high demand.

"Whenever there is a down-

turn and growing unemployment, not all the economic sectors are impacted in the same way," he noted.

The president of Hostos, Dolores M. Fernández, said that the largest growth had been in nursing, radiological technology and dental hygiene, and that the school had used a work force development grant to offer nursing courses in the evening and on weekends.

"As the economy continues to be problematic, the students that come to Hostos will continue to be the least prepared and most economically vulnerable," Dr. Fernández said in an e-mail message.

Focus groups at Queensborough suggest that the demand is coming both from recent high school graduates and adults long out of school. Mr. Yarde, who attends high school recruiting events frequently, said that he was getting an increasing number of inquiries from parents seeking classes for themselves.

He said one woman told him that her husband had just lost his job and that she was looking to develop some marketable skill. Another said she had always been a housewife but did not feel secure now without some type of job training.

Indeed, the city's community colleges cater to a wide swath of students whose expectations and goals vary widely. For some, the schools are a first step toward a four-year degree; others are looking for career-specific training to give them an advantage in a competitive marketplace.

Regina S. Peruggi, president of

Kingsborough Community College in Brooklyn, pointed to her school's programs in tourism, hospitality and the maritime industry — areas with strong employment prospects in New York but few applicants.

Jane MacKillop, associate dean of La Guardia's adult and continuing education division, focuses on helping people develop skills that make them more competitive. "People are trying to shore up their current positions by getting further qualifications and becoming certified in their field," she said in an e-mail message. "Our taxi driver training

As layoffs mount, demand rises for skills that can land a job and lead to a career.

program has seen a 5 percent increase this semester.

"Often people will take the course as a means to eventually earn a second income. However, our real estate license preparation course had no enrollments this fall. Not a huge surprise given the current housing market and credit crisis."

La Guardia is also trying to tailor its curriculum, with the winter 2009 catalog including these new economy-related courses: How to Recession-Proof Your Résumé; How to Economize in Difficult Times; and How to Stretch Your Dollar Online.

THE PSC CASE FOR PUBLIC INVESTMENT IN CUNY— AND AGAINST BUDGET CUTS AND TUITION HIKES:

New York needs CUNY as never before. This is the moment for bold new solutions, not a return to the failed strategies of the past. A **New Deal for New York starts with CUNY.**

1) Investment in public higher education is key to reinvigorating the economy.

- Investment in CUNY is the best investment New York can make for its future:
 - 80% of CUNY graduates stay in New York State.
 - They pump \$15 billion a year into the economy.
 - Almost 90% of CUNY community college graduates are employed within six months of earning their associate degree.
- In this economic crisis, Albany and City Hall want to cut investment in public higher education:
 - The State has already cut CUNY's budget by \$68 million. Now Gov. Paterson wants a \$600 tuition increase and a nearly 11% cut to community college base aid, or \$300 per student.
 - Bloomberg has asked for a 2.5% cut this year, for an additional reduction of \$9.5 million.
- Spending cuts are the *wrong approach* -- especially in a recession:
 - "It is economically preferable to raise taxes on those with high incomes than to cut state expenditures," says Nobel Prize-winning economist Joseph Stiglitz.
 - "Budget cuts reduce the total level of spending," Stiglitz explains, and this makes an economic slowdown worse.
- Brooklyn College and Queens College were founded during the Depression. The Lehman College campus was built by the WPA. A similar visionary investment should be made now.

2) How can New York afford investment in this economic climate? By increasing revenue.

- In the next few weeks, you will hear State officials insist that they need to cut spending. CUNY managers (who just gave themselves a huge pay increase) will insist they need to raise tuition.
- What New York is really facing is a revenue crisis. Increased public revenue is the alternative to budget cuts and tuition hikes:
 - New York State would have \$17 billion more in this year's budget if it reversed the tax cuts enacted since 1994, which largely benefited high-income earners and businesses.
- Instead of cutting CUNY and other vital public services, New York should restore a fair tax structure. Under the current structure, the rich pay a lower rate than the poor and middle class:
 - Today the richest 1% of New York families (those earning above \$1.6 million a year) pay only 6.5% of their income in State and local taxes;
 - Those with mid-level incomes (\$27,000 - \$40,000) pay 11.6%.
 - The poorest New Yorkers (with incomes under \$15,000) pay 12.6%.
- This year's State budget gap can be closed immediately, even before restructuring taxes:
 - The PSC has joined the One New York coalition in calling on the State to use the more than \$1 billion in the "rainy day fund" (Tax Stabilization Reserve Fund) this year.
 - The federal government is considering an economic stimulus package, including aid to state and local governments. Making cuts before Congress acts is premature.
- The PSC supports President-elect Obama's call for an economic stimulus bill, and supports Governor Paterson's proposal for a substantial portion of federal economic stimulus funds to be directed to state budgets.

Get involved! Go to www.psc-cuny.org/budget0809.htm, or call 212-354-1252.

3) CUNY cannot absorb further cuts: New York State has failed to invest in CUNY even when economic times were good.

- New York State investment in CUNY senior colleges was reduced by 25.5% between 1991 and 2005, and only began to recover before being cut again.
- Meanwhile, enrollment has skyrocketed:
 - CUNY has added 47,495 students – or the equivalent of three new colleges – since 2000.
- The best measure of support is per full-time-equivalent-student funding:
 - Since 1990, per-FTE funding for CUNY senior colleges has decreased by 14%.
- Enrollment at CUNY can be expected to increase at an even greater rate as the economic downturn deepens.
 - Families turn to CUNY as an affordable alternative to private college and adults return to college to gain new skills in a tough job market.
- To meet those needs and prepare for a resurgent economy, New York should *increase* CUNY funding, not cut it.

4) Raising tuition is not the answer. The answer is increased public investment.

- CUNY students pay more than ever:
 - 1975: tuition covered 0% of CUNY's budget – CUNY was free!
 - 1989: tuition covered 12.4% of CUNY's budget.
 - 2006: tuition covered 41.5% of CUNY's budget.
- CUNY's community college tuition is among the highest in the country.
- CUNY students are receiving less support:
 - This spring, NYC made a 39% cut to Vallone Scholarships.
 - New York's Tuition Assistance Program (TAP) fails to cover the needs of part-time students, non-traditional students, and financially independent students without children.
- The record shows that increasing tuition does *not* increase CUNY's budget:
 - CUNY tuition was raised four times in the 1990s – and by the end of the decade CUNY had \$245 million *less* in real dollars.
 - The budget shortfall for CUNY, created by decades of disinvestment, is too big to be filled by increased tuition. Tuition would have to be at Harvard levels to fill the gap.
- And it's a myth that no student is harmed when tuition is increased:
 - TAP fails to cover thousands of students now; a tuition hike will close CUNY's doors to many.

**New York needs CUNY as never before.
Invest in New York's future, invest in CUNY.**

Important dates:

November 18	Special Legislative Session in Albany to vote on budget cuts
December 3	Public hearing of the CUNY Board of Trustees on CUNY budget
December 8	CUNY Board of Trustees votes on CUNY's budget proposal
December 16	Governor Paterson issues proposed budget for 2009-10

Get involved! Go to www.psc-cuny.org/budget0809.htm, or call 212-354-1252.

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in favor in opposition

Date: _____

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Name: CUNY PANEL

Address: VICE CHANCELLOR ALLEN DOBRIN

I represent: VICE CHANCELLOR IRIS WEINSHALL

Address: VICE CHANCELLOR ERNESTO MALABO

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Name: Monique Lewis

Address: 380 East 143rd St #2H

I represent: BRONX COMM. College & U.S.S.

Address: 181 Rst + University Ave

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Name: Steve London

Address: _____

I represent: Professional Staff Congress/CUNY

Address: 61 Bway, 15th Floor, NY, NY

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Name: Dean James

Address: 46 Sunnyside Ave, Bklyn, NY

I represent: CUNY - City College

Address: 161 Convent Ave, NY, NY

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Name: Francisca Villar

Address: 2363 Valentine Ave 18

I represent: Bronx Community College

Address: 181st University Ave Bx NY 10453

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Name: Karzem Morales

Address: 2017 Grand Avenue

I represent: Bronx Community College

Address: 181st University Avenue 10453 Bx NY

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