Good morning. Finance Committee Chair David Weprin; Higher Education Committee Chair Charles Barron; members of both committees; I thank you for the opportunity to testify before you today on The City University of New York and the FY2004 New York City Budget. I also want to take this opportunity to thank you for all your help with the New York City budget modification and the restorations to CUNY’s community college budget that took place last December.

CUNY serves over 400,000 students annually: approximately 200,000 degree seeking students and 200,000 adult and continuing education students. Since 1999, CUNY has grown its enrollment by 13,000 students. The increased enrollment is a measure of the University’s continued attraction to the people of this great City. We have achieved a great many of our goals and built tremendous momentum at the City University.

But we face the same fiscal dilemmas that the rest of New York City and New York State are currently experiencing. Our greatest challenge now is to maintain this momentum during this particularly difficult time for our city. Now more than ever, New York City and its people need the opportunities for education, training, and economic development that CUNY offers; now more than ever, CUNY needs the continued support of its traditional funding partners.

The City University of New York's six community colleges are a major force in New York City's economy. Community colleges are invaluable platforms for students to improve their circumstances, and crucial engines for economic recovery. They offer job training and retraining to make students competitive in tough markets (such as the one in which we now find ourselves). In return, students become wage-earners and taxpayers who contribute to our communities economically. CUNY’s community colleges are indispensable links to knowledge and culture for more than 160,000 degree-credit and adult and continuing education students, offering
instruction and support services in basic and remedial skills, exposing young audiences to the fine arts, and providing opportunities and facilities for research.

Our citizenry needs to have continued and expanded access to the opportunities CUNY’s colleges provide for educational growth, career advancement and personal fulfillment. For that reason, we are particularly concerned about the City’s FY2004 Preliminary Budget, which recommends a net decrease in support of $5.6 million.

Among our highest priorities for the City Preliminary Budget is the restoration of $5.5 million in funding for the New York City Council Peter F. Vallone Scholarships. We especially thank the City Council Committee Chairs and members for your unyielding support. Since 1998, the Vallone Scholarships have provided much-needed financial assistance— and an academic incentive— to New York City high school graduates who maintain a “B” average and attend CUNY. The Vallone Scholarships recognize and reward the best students in our educational system, enabling them to obtain a respected and valued college degree from CUNY and thereby realize their goals and dreams.

These scholarships have helped make college affordable for more than 35,000 students to date, ensuring the widest possible access to CUNY’s educational opportunities and fostering the growth of an educated citizenry and a well-trained workforce. The Vallone Scholarship is all the more critical as a means of keeping college affordable for our students and their families, given a projected loss in TAP awards, and the potential for a tuition increase in the future.

Our other priorities for this budget include securing as much support as possible to cover mandatory cost increases associated with the Professional Staff Congress and other unions, such as financing needed to pay for faculty and staff salary increases and increments. In addition, we are concerned that the Preliminary Budget discontinues various City Council Member Items relating to community colleges, senior colleges and Hunter Campus Schools.
New York State Executive Budget

The FY2004 State Executive Budget recommendation for our senior colleges reflects a decrease in State aid of $90.4 million and an increase to the revenue budget of $121.4 million. For our community colleges, the Executive Budget recommends an overall reduction of $17.3 million. The Budget does not include funding for the priorities described in our Master Plan, including support for full-time faculty. It eliminates the financial aid component of our SEEK and College Discovery Programs, reduces funding for the Liberty Partnership Program, and eliminates funding for STEP (Science & Technology Entry Program).

Tuition Assistance Program

We are particularly concerned about the recommendations for the Tuition Assistance Program (TAP) which provide awards in two components: a “base” award equivalent to two-thirds of the current award, and a “performance” award for the remaining one-third, payable to the student upon attainment of a degree.

The TAP Program is a critical safety net that allows financially disadvantaged students to attend the University. During FY 2002, some 71,000 CUNY students relied on awards totaling $120 million in support from TAP to pay for tuition costs at a CUNY college. The premise of this proposal is to encourage degree completion by students. The actual effect of the proposal will be to deny sufficient quality financing at the time it is needed to pay for college costs.

Most CUNY students grow up in poverty, or uncomfortably close to it. Forty percent of CUNY students in the Fall of 2002 had adjusted gross incomes below $15,000. Each year, the earning potential of 20,000 CUNY students will roughly double when they receive their college BA or graduate degrees. It is important to maintain this economic advancement for hundreds or thousands of young people and working adults.
As companies seek to expand their operations following a recession, we will need a fresh supply of new graduates, contributing to skilled labor shortages within the New York economy. Many of New York City’s teachers, nurses and computer programmers -- three occupations in which there are severe labor shortages -- graduate from CUNY schools.

Over the past eight years, the University trained almost 46,000 teachers. Each year, the Department of Education hires about 11,000 new teachers, of which about 30% have earned a CUNY degree. Over the same period CUNY also graduated more than 8,000 nurses. In 2001, CUNY was responsible for 36% of the Registered Nurses licensed in New York City. In addition, since 1994 CUNY, has trained almost 14,000 students for occupations related to computing, another area in which there is an acute shortage of trained personnel.

Without adequate financial aid for students and funding for CUNY, this flow of trained professionals will almost certainly be interrupted. CUNY students come from modest origins. Almost half come from families in which neither parent attended college, and about 6 in 10 have total household incomes less than $30,000. Twenty percent of students graduating with a BA in nursing received TAP and/or Pell in their last year, demonstrating their continued need for financial assistance with CUNY tuition. Without the educational opportunity afforded by CUNY, many students will not be able to continue to pursue their aspirations to become the teachers, nurses, and computer specialists of tomorrow.

We recognize the reality of the City’s fiscal condition and acknowledge that there simply will not be enough money to go around this year. At the same time, we cannot allow the entire burden of addressing our budgetary requirements to fall on the shoulders of our students. The University is shoring up resources and creating new streams of revenue, so our core business of teaching and learning is protected. Here are some of the things we are doing, or have considered:
• We have imposed a hiring freeze on non-instructional personnel across the University. Our top priority continues to be our faculty, who will not be affected by this freeze.

• We are accelerating our efforts, consistent with the theme of the integrated university to centralize and coordinate appropriate administrative operations of our campuses, building technology platforms and shared data systems to relieve individual campuses from the necessity of replicating these functions.

• We are looking at ways of generating revenue through a comprehensive tuition schedule that includes undergraduates and distinguishes among graduate and professional programs. We are also urging State officials to formulate a more manageable tuition policy that allows institutions to strategically plan and enhance operations while keeping pricing structures predictable for students and their families.

• We are asking our administrators and executives both to participate in the teaching force of the University, and to take a hard look at administrative and executive positions, reducing them wherever possible.

• We are providing financial aid seminars for our students to maximize their awareness of the full array of City, State, Federal and private financial assistance and scholarships. Last month we offered a series of financial aid seminars in each of the five boroughs, many of them in Spanish, Chinese and Russian, in addition to English.

• We are establishing a central web-site location for student jobs, both on and off campus, to better coordinate existing programs and to advertise new initiatives.

**Capital Budget**

I am glad to report that the University’s Capital Budget received some much-needed good news this year. My colleagues and I are gratified that the State Executive Budget supports new bonded funds in the amount of $981.5 million for the senior colleges and $50 million for the
community colleges and Medgar Evers College, for a total recommended multi-year capital investment program of $1.03 billion. We hope to be able to leverage that figure up further by exploring innovative public-private development opportunities with regard to existing physical assets, new mixed-used facilities, and under-utilized real estate assets, such as air rights.

As you know, major capital projects at the community colleges and Medgar Evers College are funded 50/50 by the City and State, and bonded through the Dormitory Authority. We are grateful that the City has supported the multi-year $138-million Medgar Evers Academic Building I project. However, the City Budget recommends funds of $8.242 million for FY 2003-04, and a preliminary ten-year capital strategy plan of $57.382 million—figures that not only reflect no new funding for capital projects at CUNY’s community colleges, but in fact indicate a 30% reduction in support.

As technology and the needs of New York City’s workforce change, and as our student body grows, our community colleges must maintain and upgrade their facilities in order to continue the vital work they accomplish in our neighborhoods and our economy. I urge you to demonstrate and communicate, as you have in the past, your strong support for the University and its request for capital funds as we proceed through the budget adoption process.

Ladies and gentlemen, we have counted on your help in the past to support our critical needs and we appreciate all that you have done to assist us. We are proud of our status as an urban University—one that, since its inception as the Free Academy, has enabled all New Yorkers to meet their personal and professional goals. We ask you now to help us continue our tradition of helping students of all backgrounds participate fully in the life and the economy of this City. Thank you.