



**TESTIMONY OF THE  
NEW YORK PUBLIC INTEREST RESEARCH GROUP (NYPIRG)  
BEFORE THE ASSEMBLY WAYS AND MEANS COMMITTEE  
REGARDING GOVERNOR PATERSON'S PROPOSED  
DEFICIT REDUCTION PLAN**

**FRIDAY, OCTOBER 23, 2009**

***FRAN CLARK, NYPIRG PROGRAM COORDINATOR***

Good afternoon. I am Fran Clark, NYPIRG's higher education program coordinator.

NYPIRG — the New York Public Interest Research Group — is New York State's largest non-partisan research and advocacy organization, with a Board of Directors comprised of college and university students elected from campuses with NYPIRG chapters across the state. We teach organizing, research and communication skills, and provide students with opportunities to learn while working on issues including the environment, consumers' rights, voter registration, government reform and higher education.

Today, I will address NYPIRG's concerns about the Governor's 2009-10 Deficit Reduction Plan (DRP), as it pertains to higher education. I will also pass on a few words from our environmental team about the DRP.

**Regarding Higher Education**

As you know, Governor Paterson proposes to cut higher education funding by \$119 million in the last months of the 2009-10 academic year. I'm here to urge you to oppose these proposed cuts, which would affect CUNY senior colleges, community colleges at SUNY and CUNY, opportunity programs, and even the Tuition Assistance Program (TAP).

No doubt, this budget crisis demands hard choices. The deficit cannot be closed without them. However, it also demands smart choices, and the leadership to set clear priorities and stick with them. The Governor is failing to make higher education the priority that it needs to be. These latest proposed cuts come on top of an October 6<sup>th</sup> executive order to withhold \$90 million from SUNY and \$35 million from the Higher Education Services Corporation (HESC), and on top of the hundreds of millions of dollars worth of cuts to SUNY and CUNY that were implemented last year. Last year's cuts, I'll remind you, included big tuition hikes (SUNY, \$620/CUNY, \$600) that were largely swept into the general fund to pay down the deficit. Our public colleges and universities, students, and their families have already paid their fair share of sacrifice to the state's budget deficits. Any further cuts may do permanent harm.

### **Protect funding for TAP and other financial aid**

Cutting \$26.2 million from the state's Tuition Assistance Program (TAP) would amount to a \$120 reduction in aid for the 370,000 students who receive TAP.<sup>1</sup> Across all higher education sectors, about 87,000 students receive maximum TAP awards because they have very low family incomes.<sup>2</sup> Tens of thousands more earn incomes low enough to depend on large TAP awards.<sup>3</sup> A \$120 cut would be a punch in the gut to all of those students who absolutely need that money to pay for college.

The Governor's proposed cut to TAP would cause particular harm to some of the poorest students in the state, but it would also burden middle income students who count on their smaller TAP awards to offset the rising cost of college and their shrinking ability to pay for college.

Cutting financial aid is always a bad idea. Cutting financial aid during the middle of a recession, just months after a tuition hike, would be shameful. Students are counting on the Legislature to protect TAP, and safeguard the other smaller financial aid programs that would also be cut under the Governor's plan.

### **Do Not Cut Community Colleges**

Reducing 2009-10 funding for community colleges by \$33.6 million will leave community colleges without enough money to serve the record numbers of low-income students and displaced workers who are already filling their classrooms. What's more, it would pass off more of the expense of operating our community colleges to local governments, and probably lead to big tuition hikes.

Community colleges are the only affordable entryway into higher education for thousand of low-income students, and the first place workers turn when they need to update their job skills after a layoff or strengthen their resume to compete in a tight job market. They also serve a large contingent of low-income part-time students who do not receive TAP or Pell, and many adult students who receive smaller TAP awards determined by the miserly income requirements of TAP's Independent Awards Schedule.

The truth is, our community colleges were underfunded long before this recession began. For years, lawmakers have failed to abide by education law requiring the state to pay a fair share (up to 40%) of their operating costs, and that cost has been passed on to students, making average community college tuition and fees in New York State some of the highest in the nation.<sup>4</sup>

This year, the average cost of tuition plus fees at public two-year institutions was \$2,718 nationally, but it was \$3,888 in New York.<sup>5</sup> For a more apples-to-apples comparison, look at how New York State rates against other states with comparably large and expensive higher education systems (Grapevine Institute refers to them as "Mega States"). In fact, community

---

<sup>1</sup> HESC, *2007-2008 Annual Report*, Table 8 at <http://tiny.cc/W4vKT>.

<sup>2</sup> HESC, *TAP 2007-2008 Schedule E TAP recipients with FTE at Max Award*, provided to NYPIRG July 6, 2009.

<sup>3</sup> The average TAP award is \$2,570.

<sup>4</sup> New York Education Law, §6304a.

<sup>5</sup> College Board, *Trends in College Pricing 2009*, Tables 5c & 6c

college students in each of the other eight mega states pay a lot less than their peers in New York.<sup>6</sup>

Our sky-high community college prices will not be helped by the fact that local governments are also feeling tremendous financial pressure. Local governments may also propose cuts to community college funding. A double whammy like that could lead to very painful tuition hikes, and subject students to increases in class size and big reductions in course offerings.

### **Leave Opportunity Programs Alone**

New York's opportunity programs—SEEK, College Discovery, EOP, HEOP, and STEP/CSTEP—provide financial aid, expanded orientation programs, tutoring, counseling services and, most importantly, a support structure for students from disadvantaged backgrounds who might otherwise not be able to attend college. About 40,000 students benefit from these programs, which enjoy impressive graduation rates.<sup>7</sup>

We need strong opportunity programs now more than ever because they target those segments of our society that are most harmed by disparities in investment in education and are put most at-risk during times of economic turmoil.

### **Don't Cut CUNY and Fight to Restore Funding for SUNY**

While it's too early to know exactly how SUNY will implement the Governor's order to withhold \$90 million, the cut will likely mean even bigger classes, fewer course offerings, and perhaps a scaling back on admissions and enrollments. It could also mean elimination of certain programs, or even, in a worst-case scenario, a new round of unfair tuition hikes.

Enacting the Governor's proposal to cut CUNY by \$53 million won't undo all this damage to SUNY. Looking at the size of the deficit and the harm already done to SUNY, we know that many legislators will find an equity argument compelling. Please don't succumb to that argument. Another cut to CUNY would push class sizes beyond capacity and shrink course offerings so dramatically that many students won't be able to get the credits they need to graduate on time.

Ideally, funding for SUNY should be restored and CUNY should be held harmless. Short of that, New York State should pass a deficit reduction plan that protects students from another unfair tuition hike, safeguards financial aid, and upholds the quality of public higher education.

### **A word from our environmental team**

NYPIRG also has serious concerns about the impact of the Governor's proposed funding cuts on New York's environment.

---

<sup>6</sup> Average community college tuition and fees in New York State are more expensive than average community college tuition and fees in all of the other states with very large higher education appropriations: Pennsylvania (\$3,493), Ohio (\$3,266), Illinois (\$2,754), Georgia (\$2,601), Florida (\$2,552), Texas (\$1,753), North Carolina (\$1,602) and California (\$817). College Board, *Trends in College Pricing 2009*, Table 6c.

<sup>7</sup> They have graduation rates that exceed the national average. For example, EOP has a 52% six-year graduation rate. Nationally six-year grad rate for four-year public institutions is 45.4%, for four-year private institutions the 6-year grad rate is 51.5%.

In particular, we are alarmed at the proposal to use \$90 million in revenue from the auction of pollution allowances through the Regional Greenhouse Gas Initiative (RGGI) for General Fund relief. The purpose of RGGI is to reduce greenhouse gas emissions from the power generating sector in the Northeast. In addition to the direct emissions reductions associated with implementing the program, auctioning emissions allowances under RGGI also provides revenue for programs that can further reduce greenhouse gas emissions, such as energy efficiency and conservation and the development of clean renewable sources of energy. To devote these funds to General Fund relief undermines the purpose of this program and squanders funding which was intended to help spur New York's growing clean energy economy, which the Governor and legislative leaders have pointed to as critical for the state's economic development.

In addition, we are concerned about the cumulative impact of additional raids on the Environmental Protection Fund (EPF). While the \$10 million cut proposed in the DRP may look modest when viewed in isolation, the cumulative impact of the continued raids on this fund will have far-ranging impacts on our environment and our communities. Over the past seven years, nearly a half billion dollars has been drained from the fund and used for non-environmental purposes. In the past year, the EPF account balance has been so low that the state has had difficulty meeting its existing grant obligations. Much of this funding benefits local governments, who receive matching grants from the EPF for projects ranging from waterfront revitalization to curbside recycling. Further cuts to the EPF will set back progress on addressing the critical issues facing our environment and our economy and result in lost opportunities to make New York a healthier place to live and work.

### **In Closing**

We know that the state is facing unprecedented challenges, and that the Legislature will be forced to make difficult choices this year. We ask that you make those choices carefully and do everything in your power to lead us through this crisis without sacrificing affordable higher education, the environment and other principles that have made New York great. Thank you for your time and attention.