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**Testimony of Chancellor James B. Milliken  
The City University of New York  
New York State Senate Finance and  
Assembly Ways and Means Committees**

**2015 – 2016 State Executive Budget Proposal  
February 10, 2015**

Good morning. Chairman De Francisco, Chairman Farrell, Chairman LaValle, Chairperson Glick, members of the Finance and Ways and Means Committees, staff and guests. I am James B. Milliken and I have had the honor of serving as Chancellor of The City University of New York since June of 2014. I went to school and began my career in New York, and while it took me 25 years to get back I like to think I have returned to my adopted home with some useful experience that helped prepare me for this exceptional opportunity. While I have had the opportunity to meet a number of you, this is the first time I have appeared before you formally, and I thank you for the opportunity.

I am fortunate to have joined an exceptional group of senior leaders at CUNY, some of whom are with me today and I'd like to introduce them. To my immediate left is Matthew Sapienza, Vice Chancellor for Budget and Finance. To Matt's left is Frank Sanchez, Vice Chancellor for Student Affairs. To my immediate right is Judith Bergtraum, Interim Vice Chancellor for Facilities Planning, Construction and Management. And finally, to Judy's right is Jay Hershenson, Vice Chancellor for University Relations and Secretary to the Board of Trustees.

First and foremost, thank you for your longstanding support of CUNY and its students. Coming from the outside, I can assure you CUNY has held a revered place in public higher education. From its origins as The Free Academy in 1847 throughout the twentieth century and into the 21<sup>st</sup>, CUNY has been the place of first resort to so many talented New Yorkers, to successive waves of immigrants, to the first in their families to attend college and now to many of their children. A CUNY education has enabled those from every borough of the city and every rung on the economic ladder to reach their full potential. The Governor's support for the Dream Act, which would extend state tuition assistance to New York college students whose parents are undocumented immigrants, would assist in continuing this long history and it continues to be a priority for us.

I chose a great year to join CUNY, although perhaps every year is like this. I was able to celebrate with a record number of student and faculty Fulbright award winners, who won these prestigious nationally competitive awards to work and study abroad. Washington Monthly magazine's respected "Bang for the Buck" national ranking, which measures greatest value

delivered by a college or university, ranked as its top three colleges in the nation Brooklyn College, Queens College and Baruch College. That is an amazing result and one New Yorkers should take great pride in. CUNY's innovative ASAP program has been recognized nationally, including most recently as the one program singled out by the White House in connection with the President's recently announced community college initiative and the subject of recent positive editorials in the New York Times, The Daily News and Bloomberg News.

When I first arrived at CUNY last summer, I visited students, faculty and staff at each of CUNY's 24 campuses. The enormous breadth of the university truly comes into focus when you visit every campus, but its depth and breadth can be seen across the city every day.

One day in June, I delivered the commencement address at Hostos Community College, where 820 graduates received Associate degrees --68 percent were female, 32 percent were supporting children under 18, 60 percent spoke a native language other than English, and 79 percent had an average income under \$30,000. Later that same day, I joined Nobel Laureate Harold Varmus to speak at the CUNY Graduate Center Commencement, where 545 students were granted masters and doctoral degrees in 34 fields, from anthropology to physics, poised to become thought leaders in their fields. Suzanne Tamang, the student speaker, was awarded her doctorate in Computer Science. She included in her remarks the following observation: "If an institution like CUNY did not exist, it is unlikely that I and many others would be here today." In that single day, I saw the full range of possibility that CUNY offers New Yorkers.

Today, the university offers approximately 2,100 degree-granting programs: 70 at the doctoral level, 660 at the master's level, 700 at the baccalaureate level, 260 associate degrees, and nearly 400 graduate and undergraduate certificate courses. Even those impressive numbers need to grow. We face new challenges and new demands to prepare the 21<sup>st</sup> century workforce.

It is critical that universities attract students and enable them to receive a degree. The share of jobs that require post-secondary education has doubled over the last forty years<sup>1</sup>. Nationally, half

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<sup>1</sup> Anthony P. Carnevale, Nocil Smith, and Jeff Strohl, "Help Wanted: Projections of Jobs and Education Requirements through 2018," Georgetown University Center on Education and the Workforce, June, 2010.

of all people from high income families have a bachelor's degree by age 25; today, just one in ten people from low income families do<sup>2</sup>.

The good news: when children born into the bottom fifth of income distribution get a college degree, their chances of making it to the top fifth nearly quadruple. Their chances of making it out of the bottom increase by more than 50 percent<sup>3</sup>.

Today, CUNY's enrollment stands at an all-time high of 274,000. We serve an additional 260,000 adult and continuing students- a total of over half a million students. Fifty-eight percent of 2012 New York City public high school graduates who enrolled in college did so at CUNY and three quarters of CUNY freshmen come from New York high schools. The vast majority of our graduates tend to remain in New York; their education enables them to earn higher wages and this in turn increases the tax base of the state.

This past year, CUNY graduated 48,000 students – that is more students than Yankee Stadium has seats. Our students won more than 100 national awards, including 17 National Science Foundation Fellowships, 5 Jack Kent Cooke Scholarships, 2 Ford Foundation Pre-doctoral Fellowships, a record breaking 29 Fulbright Student Awards. Just this year, we had record-breaking numbers of students attending our winter session and more students transferring from community college to senior college than ever before. Each one of these students is forging a new career, either by continuing their education or by taking their place in the changing workforce.

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<sup>2</sup> Martha J. Bailey and Susan M. Dynarski, "Inequality in Postsecondary Attainment," 2011. In Greg Duncan and Richard Murnane, eds., *Whither Opportunity: Rising Inequality, Schools, and Children's Life Chances*, pp. 117-132. New York: Russell Sage Foundation.

<sup>3</sup> Julia B Issacs, Isabel Sawhill, and Ron Haskins. 2008. "Getting Ahead or Losing Ground: Economic Mobility in America," Washington, D.C.: Brookings Institution. Without a college degree, children born in the bottom fifth of the income distribution have a 5 percent chance of making it to the top fifth, and a 55 percent of chance of making out of the bottom fifth. With a college degree, the chances of making it to the top increase to 19 percent, and chances of making it out the bottom increase to 84 percent.

I am mindful of the even more critical role higher education needs to play if our workforce is to remain competitive. We are deeply grateful to you and to the Governor for understanding the critical role education plays in the lives of New Yorkers and for the investment you make that secures its promise.

### **Operating Budget**

Let me now turn my attention to the operating budget.

CUNY's core priorities remain: the retention of talented faculty and staff, the recruitment of more full time faculty, increased academic support and broadening our student services. Over the last decade, we have achieved a 23 percent net increase in full-time faculty. However, these gains have been countered by an unprecedented growth in enrollment during the same period, slowing our ability to increase the percentage of classes taught by full-time faculty. This year we are working to hire 325 new faculty members. And through our FY2016 budget request, we hope to hire 500 more. While this may seem at first blush ambitious, let me offer some historical perspective. In 1974, CUNY had over 11,000 full time faculty and 249,000 students; we now have 7,500 full-time faculty and 274,000 students.

We must compete for talent in a national and in some cases international marketplace and nothing is more important than our ability to attract and retain the best faculty. This fall, we have already hired 250 new, full-time faculty across our colleges, many of them scholars of international renown. Each of them brings a wealth of scholarly and pedagogic experience to our classrooms.

The University's collective bargaining agreement with our faculty expired in 2010 and the faculty and staff covered under this agreement have not had a raise since October 2009. The University is seeking support of the State and the City for an agreement that would be in the line with those of other State unions.

In 2011, the Governor and the Legislature reached agreement on a new funding model for public higher education in New York. The state agreement has brought much-needed fiscal stability to our colleges and has enabled us to develop and to execute effective strategies. For our students and their families, predictable tuition costs have eliminated the unanticipated spikes that, in the past, undid budgets and derailed prospects. Fiscal Year 2015-2016 is the final year of this five-year model; its impact has been positive, its benefits measurable. CUNY continues to have among the lowest tuition levels in the country and our colleges are hailed nationally on the value they offer.

While the Governor's executive budget proposal provides a relatively stable budget for CUNY in fiscal year 2015-2016, there remain many areas that we hope you will address in order to provide our students with the higher education experience they deserve, and to ensure that employers are being served with skilled graduates that are ready to enter the workforce.

The executive budget recommends a flat rate in community college base aid funding. That recommendation—\$2,497 per FTE—is significantly below the Fiscal Year 2009 level of \$2,675. Both CUNY and SUNY are seeking an increase of \$250 per year over the next three years. That increase will enable the community colleges to perform the multi-year planning that enables us to meet the varied needs of their students and to advance their critical mission.

In addition, the Governor's budget does not fund the \$1.7 million legislative appropriation for the Accelerated Study in Associate Programs. As you may know, in recent weeks ASAP has garnered a great deal of national attention, especially when The White House, as part of President Obama's proposal for free tuition at community colleges across the nation, singled out CUNY's ASAP. They noted the impressive gains that ASAP has made in college persistence and degree completion.

The most recent independent studies show that 63 out of every 100 students who began ASAP three years ago have either graduated or transferred to a bachelor's degree program. The national average graduation rate at urban institutions is 16 percent. Students in ASAP graduate at more than three times the national average for urban community colleges. The program has been held

out as a model to be emulated, and the state of Ohio has already made plans to replicate it at several of their community colleges.

Based on the program's truly impressive results, we are planning a major expansion, extending the program to more of our community college students. In Fall 2014, we enrolled 4,000 students and are working towards an enrollment goal of at least 13,000 students by Fall 2017. The program actually saves money by shortening the time it takes for students to receive a degree. But to extend its impact we need restoration of state support. I am hard pressed to think of an investment more likely to yield high returns.

The executive budget also reduces child care funding at the community colleges by \$544,000. Twenty percent of CUNY's community college undergraduates support children. Quality and affordable child care is essential to the retention and the long-term success of these students. Research demonstrates that not only their career prospects but those of their children are considerably enhanced by the completion of associates' degrees. Flexible, licensed, on-campus care will meaningfully advance that much-to-be desired end.

We are pleased that the Governor's proposal includes support for the state Dream Act, which would extend state tuition assistance to New York college students whose parents are undocumented immigrants. This is the very first time that the Dream Act has been included in the Executive Budget and if the legislation is adopted, it will have great impact for our students.

Over \$1.1 million in legislative support for the SEEK and College Discovery programs was also eliminated in the executive budget. These are two higher education opportunity programs designed to assist high-potential, low-income students who otherwise might not be able to pursue a college degree because they are not academically well prepared for college-level work.

We also seek operational support for a number of other needs critical to our students and to the State of New York.

The University is requesting additional funding to expand its online programs, which offer many benefits. With CUNY students often times juggling multiple roles as student, worker, and family caretaker, additional online education can provide them with more flexibility while increasing time to completion rates. Online degree programs offer our students significant additional opportunities. Because there are no geographic barriers or schedules to online learning, students can find a diversity of course material that may not be available to them where they live or work, or at a time convenient to them. Online education prepares students for a competitive future, since many of them will need to refresh their skills through online learning and we want them to have that opportunity with CUNY programs.

Globalization of markets and information technology have made global education increasingly important to graduation. CUNY requests funding for an international education initiative aimed at instilling in students an awareness of both opportunities and obligation as 21<sup>st</sup> global citizens. Funding will enable students to study abroad and provide CUNY faculty with opportunities to work collaboratively with international colleagues. To compete and thrive in the transnational environment, it is no longer a luxury, but a necessity, to bring CUNY to the world and the world to CUNY.

We are truly concerned about the impact of unfunded mandatory expenses. First, the Executive Budget does not include any growth in spending in CUNY's fringe benefits costs for senior colleges. The overall State financial plan, however, includes a 6.8% increase in pension contributions and a 4.2% increase for health insurance for non-CUNY employees. The University's fringe benefits' budget should be funded consistent with similar cost increases contained in the State's financial plan. This inequitable treatment of the same expense at CUNY will cost senior colleges an additional \$25 million that will have to be reallocated from existing college priorities. This impacts students.

Second, almost all of CUNY's instructional staff are on a salary schedule that provides for annual step increments. This benefit is built into the state and city approved collective bargaining agreement with the Professional Staff Congress. Historically, the annual costs associated with salary step increments at the senior colleges have been covered by the state. In



the FY 2015-2016 Executive Budget, however, there is no appropriation for these mandatory costs, as has been the case for the prior three fiscal years. Each year the gap widens \$7.9 million at the senior colleges, and each year our capacity to close it without reducing the services we offer our students diminishes.

A final, significant mandatory cost item relates to the new Advanced Science Research Center (ASRC), a facility that will be formally opened in 2015 and is poised to become one of the region's major centers for advancing scientific knowledge. We have internationally known researchers to spearhead ASRC's work. The Center's importance to the university and to the region, both through the employment opportunities it provides and the venture capital its discoveries will attract, make this project a crucial investment. The state provided the funding to build ASRC; we now need corresponding funds to staff and maintain it.

Let me note, in broad strokes, a few other areas of operational need before I turn to our capital concerns.

Currently, more than 4,000 student veterans and reservists are enrolled at CUNY. As you can understand, veterans experience considerable challenges in their transition from military to college and civilian life; those circumstances place them at high risk for attrition. In order to support this important segment of our population, CUNY hopes to appoint a specially-trained student affairs professional on each campus whose sole responsibility is to coordinate services for veterans. We want to ensure that we are among the most veteran-friendly institutions in the country.

Also of critical importance, CUNY's libraries are straddling the digital age: many of our most important resources are textbooks and books that are not digitized. But the new generation of learning and scholarly materials are being produced online. Our libraries must be redesigned to support a variety of instructional modes. We must also install tools that allow our digital materials to be easily accessed. However, our libraries continue to be challenged by the price increases that outpace inflation and students continue to struggle to purchase necessary textbooks and course materials. CUNY's libraries have the capacity to help students in this regard, and

sufficient funding would enable us to invest in costly textbooks for use by students and to purchase electronic texts, together with the means to display and catalogue them.

The exposure of students to a wide range of career possibilities is an important aspect of the education process. Campus Career Development Centers provide students with a comprehensive set of services and resources that enable them to discover their strengths and skill areas and connect them to potential careers. As a result, New York State and City are better able to retain our graduates' brainpower. Additional funds would enable the University to expand and enhance services, including fostering and promoting internship experiences, providing certificate and licensure opportunities, and building public-private partnerships with companies and city agencies to create pipelines for employment.

The CUNY Linking Employment, Academics, and Disability Services (CUNY LEADS) program is a unique partnership with the New York State Education Department, established to facilitate successful academic and career outcomes for these students. CUNY LEADS provides students with disabilities academic support, career-readiness training and job placement services. Participants have an 84 percent retention rate; those who are job-ready have a 70 percent employment rate after graduation, compared to the 56 percent national employment rate for people with disabilities. This program has demonstrated extraordinary efficacy, and it merits your support.

The Black Male Initiative (BMI) was instituted by the University, based upon an innovative model at Medgar Evers College, to address education, retention, graduation and underrepresentation of African American men nine years ago. The CUNY Black Male Initiative aims to increase the inclusion of underrepresented groups, particularly Black males, in higher education and to improve their prospects for employment. In the decade since its founding, BMI has amassed an impressive record of mentoring, outreach, placement and related activities, aimed at maximizing academic success for underrepresented minorities. During this same period, only the City of New York, through the New York City Council, has provided funding. We are hopeful that the state will initiate an Urban Male Initiative modeled after the BMI, to match the city's allocation.

In 2009, CUNY partnered with Single Stop USA, a national program which offers one-stop assistance to students for benefits screening, tax preparation, legal services and health care assistance. The goal is to increase student retention by connecting low-income students with government benefits and services that they and their families are entitled to, but not receiving. Between 2009 and 2012, CUNY's community college students accessed benefits, including tax refunds, legal services, and food stamps valued at \$133 million. Single Stop should be expanded to CUNY's senior college population, where so many students are of low income and would greatly benefit by Single Stop's interventions.

The Governor's executive budget also included several major new higher education initiatives, including the creation of college performance plans. We currently have a Performance Management Process designed to ensure clarity about University and college priorities and expectations for the year, to recognize and acknowledge progress on important goals at all levels and to ensure that the Master Plan guides the plans and priorities of the colleges. I am happy to share more about that process.

### Capital Budget

Turning to our capital program, we are grateful for your continued attention to our facility needs, which remain urgent. We are thankful for the more than \$3.8 billion that the state has provided CUNY since 2008 in support of our academic mission. This funding has allowed us to open new facilities as well as maintain our 24 campuses. Despite this strong support, much more needs to be done.

In the last decade, because of rising enrollment, an additional 56,600 students are using our facilities. Our campuses are open seven days a week, with classes scheduled throughout the day and most evenings. Not surprisingly, our classrooms and common areas are experiencing significant wear and tear. The average CUNY building is more than 50 years old, and some are more than 100 years old. Our aging building stock and a history of deferred maintenance are the most significant issues affecting our capital program. We have 28 million square feet of space, and we need more. In addition, many of our labs and classrooms are dated and need to be

modernized with the latest teaching tools so our students are prepared. In 2007, in partnership with SUNY, CUNY completed a study of its needs to bring the campuses to a state of good repair. In 2012 we updated the critical maintenance study of the state of good repair of our campuses; the study identified a \$3.2 billion dollar backlog of critical maintenance needs, which will grow to nearly \$6 billion if not addressed over the next 10 years.

CUNY has several projects that are in design, each of which will alleviate serious space deficits and support important academic progress at our colleges. We are asking for additional funding for key programmatic projects, including:

- the Roosevelt Hall Science Complex at Brooklyn College.
- the Academic Village and Conference Center at York College;
- The College of Staten Island's High Performance Computational Center; and
- Hostos Community College's new Allied Health and Sciences Building.

Projects like these are critical to our academic growth, helping to improve classroom instruction and research capacity and create good paying jobs. With your support, we hope to continue this important work.

The executive budget recommends \$103 million in new critical maintenance funding for the senior colleges. We sought \$181 million to allow CUNY to continue work on hundreds of ongoing projects that will address electrical, heating, cooling, roof and other maintenance issues we need to provide a safe learning and working environment. The executive budget also recommends \$21 million in state matching funds for CUNY community colleges for projects that have received funding from the City of New York during the city's adopted budget last summer. Most of this will address important critical maintenance issues with the exception of a matching allocation for the new Allied Health building at Hostos Community college.

Colleges and universities are, as you know, catalysts for development. I am gratified to see the Governor's recognition that universities are economic drivers, as evidenced by his additional funding for CUNY 2020. We will soon have the opportunity to demonstrate that those investment dollars yield rewards.

The executive budget also recommends a third allocation of \$55 million for the CUNY 2020 Challenge Grant Program. We are working with the Governor's office as we advance the first round of CUNY 2020 funding to create innovative projects that provide significant economic impact through job creation, advance academic research and student success, encourage collaborations, and leverage other funding sources. We look forward to implementing round two and are excited about its potential benefits.

I want to take a moment as well to update you on the current status of major projects you have funded in prior budgets.

- As noted, CUNY's Advanced Science Research Center and the City College Center for Discovery and Innovation have just completed construction. The complex will be the jewel in the crown of scientific research at CUNY. The two buildings offer 400,000 total feet of space where faculty will work across disciplines to engage some of global science's vital challenges. State-of-the-art laboratories are provided for CUNY's top research faculty in fields such as nanoscience, photonics and environmental remote sensing.
- We recently completed construction of a wonderful library renovation and expansion project for Medgar Evers College. This project modernized and reorganized the library and added 12,000 feet of student study space.
- At Brooklyn College, construction continues on the new performing arts center, scheduled for completion later this year, which was funded with state and city funding and a sizable donation from the Tow family.
- Also part of Brooklyn College, the new Feirstein Graduate School of Cinema is under construction at Steiner Studios in the Brooklyn Navy Yard. The Feirstein School will be the first film school in the U.S. located on a working studio lot. This facility will simulate a working film studio, and include a sound stage, production classrooms, screening room, and labs for scoring, motion capture and editing, among other functions. We expect to complete the project this fall as well.
- We broke ground in 2013 on the new academic building at New York City College of Technology—the new facility will be in construction for two more years. City Tech is

CUNY's only technical college and it has some of the oldest facilities in the system. The new facility will add 350,000 square feet of premiere instructional and lab space, in addition to allied health education facilities, a large auditorium and physical education facilities. Considering New York City's efforts to cultivate its tech industries, this new modern facility could not be better timed.

- The first phase of infrastructure renovations has begun at Baruch College's Field Building at 17 Lexington Avenue. This 16-story building has not had significant upgrades since it opened in the 1920s.
- And at Bronx Community College, the third phase of construction of major utility upgrades for the campus is underway. This is the third of six phases that will completely replace the campus central plant, including all heating, cooling, and electrical distribution infrastructure on campus.

We are also initiating construction on several important projects, thanks to your support.

- At LaGuardia Community College, the façade of the massive Center 3 Building is being replaced. Center 3 is a 100-year old, 9-story facility whose terra cotta façade is failing and must be completely replaced to ensure the safety of the community and the integrity of the building. This is the highest priority of all of our community college projects.
- A major upgrade of Lehman College's central plant is underway.
- And system-wide, hundreds of infrastructure projects are underway, funded by over \$1 billion in critical maintenance appropriations that CUNY was generously provided over the last five fiscal years.

All of these projects were years, even decades, in the making, and we are completing them at a critical time: when New York City needs good paying jobs. There is no doubt that New York City profits from our capital program. For every \$10 million spent in construction, 60 jobs are created at the job site and 30 paying jobs are created offsite in materials fabrication. A multi-billion dollar construction program is therefore generating an estimated 14,000 jobs.

Projects like these are critical to our academic growth, helping to improve classroom instruction and research capacity and create good paying jobs. With your support, we hope to continue this important work.

In the end, all of the requested investments, whether in faculty and staff and other operating needs or in critical maintenance or new facilities, are important because of what they allow CUNY to do for over 500,000 students each year and for the city and state of New York. CUNY is a public university in every sense of the word and one in which I hope you will continue to make wise investments.

I want to thank you for the attention you have shown me. I am happy to address any questions you may have.