



The Commission on
INDEPENDENT
Colleges & Universities
in New York

**Testimony of
The Commission on Independent
Colleges and Universities**

Joint Budget Hearing on Higher Education

Thursday, February 8, 2024

Good morning, Chairpersons Krueger and Weinstein and members of the committees. I appreciate the opportunity to testify on behalf of the Independent Sector of Higher Education regarding the FY 2025 Executive Budget.

Higher Education Stands at a Crossroads

From the banning of Affirmative Action by the United States Supreme Court, to federally proposed cuts to student aid for Pell eligible students, to the continued delays in rolling out the new Free Application for Federal Student Aid (FAFSA), higher education stands at a national crossroads, and the path we choose today will shape the future for generations to come.

New York has always been unwavering in its commitment to breaking down the institutional and systemic barriers that have long denied underrepresented students access to higher education. There is a collective understanding of the significant economic, health, and social benefits that completing a four-year degree provides. Higher education is one of the most effective ways of breaking down barriers and creating opportunity for all.

Student Aid & Opportunity Programs

Unfortunately, the Executive Budget includes misguided proposals that threaten decades of work to ensure that all students can benefit from the transformative impact of higher education, and hinders the ability to build the workforce, economy, and society that New York needs to remain vibrant and competitive.

We were disheartened by the Governor's proposal to eliminate Unrestricted Aid to Independent Colleges and Universities, also known as Bundy Aid, for campuses with endowments greater than \$750 million.

Bundy Aid is outcome-based and student-focused, which means colleges receive funding based on the number of degrees they confer, and the funding is invested back into programs that help more students graduate.

This proposal perpetuates the misconception that most independent colleges and universities have big, unregulated endowments that can be spent however an institution decides. In fact, most donations to endowments are restricted in how they can be spent. In 2021-22, forty-six percent of independent sector endowment spending went to student aid. This cut will increase costs for hardworking students and their families who rely on the financial support provided by Bundy Aid to help them achieve their dream of a college degree. New York should not be balancing its budget on the backs of these students. This is wrong and we strongly urge you to reject it.

The same holds true for the Higher Education Opportunity, Science and Technology Entry, and Liberty Partnership Programs that provide access to higher education for

talented students from underserved communities. Last year the legislature provided an increase to Education Opportunity Programs in the enacted budget, but it was cut from this year's budget. These proven programs need additional investment to continue providing high-quality educational support and services. We urge you to stand up for student aid and increase funding for educational opportunity programs by 20 percent.

TAP Reinvestment

This year marks the 50th anniversary of TAP, one of the largest state-run student aid programs in the country. TAP has been the major vehicle for student success in higher education, with over six million New Yorkers benefiting from it in their pursuit of a college degree. TAP is unmatched in its simplicity, efficacy, and reach. Unfortunately, the program has stagnated.

We are hopeful that with your leadership, the state will finally increase the TAP income limit and awards levels, provide independent students with full TAP benefits, and restore graduate TAP for students seeking careers in critical fields.

TAP is crucial to ensuring that lower-income students can attend and graduate from college. The Independent Sector applauds the higher education committees' #TurnOnTheTAP campaign to ensure that TAP continues to be transformational for millions of students and their families.

Partnerships & Collaboration

We must also take steps to strengthen the partnerships and collaborations that fuel our state's economy. In fiscal year 2021-22, the Independent Sector generated almost \$95 billion in economic activity. To sustain this economic engine and maintain the state's competitive edge, higher education requires the state's partnership to remain at the forefront of business innovations that will attract global industries to New York.

We are pleased that Governor Hochul announced the creation of the Empire AI consortium to secure New York's place at the forefront of artificial intelligence. This consortium includes several CICU member institutions, including Columbia University, Cornell University, NYU, and RPI, which highlights the critical role independent colleges play in creating jobs and strengthening our state's economy. But notably, the proposal to cut Bundy Aid targets these very campuses, among others.

Last year, the Independent Sector was invited to join a national consortium to transform early literacy instruction by embedding the science of reading into educator preparation. New York is one of only seven states invited to join this effort. As our sector awards 55 percent of education degrees, we fully support Governor Hochul's "Back to Basics" plan to improve reading proficiency. We stand ready to work with the State Education Department, the public sector, the teachers' unions, and other stakeholders to ensure all teachers are prepared and that all students succeed.

Similarly, CICU worked with SED, SUNY, CUNY and HESC to bring awareness to the importance of college bound students submitting the FAFSA. Every year in New York, more than \$200 million in Pell Grant funds are unclaimed because eligible students do not complete their applications. We are pleased that Governor Hochul has proposed a FAFSA completion requirement for all high school seniors. This initiative will increase the amount of federal student aid received by New Yorkers, making college more affordable, and we look forward to working with you to ensure this important proposal becomes law.

Given the extent of higher education's benefits to society, we must do everything we can to maintain a robust higher education ecosystem in our state. The challenges confronting higher education are not insurmountable but require decisive action.

We urge the Legislature to reject harmful short-sighted proposals that diminish support for student aid, and instead prioritize the contributions of our higher education institutions as drivers of equity and access, and creators of solid pathways to upward mobility.

We look forward to working with you in support of New York's college students. Thank you.