



**Testimony of Chancellor James B. Milliken  
The City University of New York**

**Joint Senate and Assembly Legislative Public Hearing on  
The 2016 – 2017 State Executive Budget Proposal: Topic “Higher Education”**

**Monday, February 8, 2016**

Good afternoon, Chair Young, Chair Farrell, Chair LaValle, Chair Glick, and members of the Finance and Ways and Means Committees, staff and guests. I am James B. Milliken, the Chancellor of The City University of New York, and I want to thank you for providing what is my second opportunity to meet and share with you why it is such an honor to lead this unique and vital institution. A number of my colleagues are seated behind me, ready to throw me a lifeline if needed.

I want to begin with a particular thanks to you and your colleagues for your continued substantial support for CUNY and its students, attending in record numbers again this year and graduating in increasing numbers. This would not be possible if it were not for the investment the state makes, and we will do everything we can to ensure that we continue to earn your trust and confidence.

For more than 150 years, CUNY has been the gateway to progress and fulfillment for many New Yorkers who do not begin life with great advantages, particularly those from low-income families, underrepresented groups and immigrants. The support the state provides to these talented young New Yorkers is at the heart of CUNY's and, I believe, New York's, success. We may give our students opportunities, but what they give to CUNY, our communities and our state is unparalleled drive, ambition, talent and creativity. Our graduates have been instrumental in making New York the cultural, financial and business capital of the world, and we are actively strengthening CUNY to ensure that the university and those graduates continue to play a leading role for the benefit of this state.

We are doing that by vigorously executing CUNY's vital, historic mission, although increasingly with new evidence-based strategies and innovations. Affordability and access will always be fundamental to CUNY and its irreplaceable role in the life of the city and state, but we are focused much more than ever on our obligation to ensure that when our students leave our colleges they do so in much greater numbers with diplomas that will change their lives and the competitiveness of New York. We are hard at work now on a new university-wide strategic plan and a new Master Plan with this in mind.

Every day we are guided by the unique mandate established when this body passed the historic legislation creating the modern City University and later when it doubled down, establishing the current governance and structure. The New York State Legislature designed The City University of New York as an institution with a distinctive mission: that the university will be "an independent system of higher education," that it must be "responsive to the needs of its urban setting" and operate as "an integrated system," with close collaboration between the community colleges and senior colleges. This is critical in helping make possible the transfer of so many students from community to senior colleges, a number that doubled in the last decade.

The Legislature also declared that: "The City University is of vital importance as a vehicle for the upward mobility of the disadvantaged in the City of New York." Like you, we are committed to not just carrying out that mandate, but to constantly finding new ways to strengthen it.

About 75 percent of the graduates of New York City's high schools who attend college come to CUNY. Graduates who earned their degrees from CUNY over the past 40 years earn \$63 billion a year, nearly all of that in New York State where they go on to live and work, and that is about twice what they would earn if they held only high school diplomas. Forty percent of CUNY's 275,000 students are the first in their families to attend college, and 40 percent were born in another country. CUNY is home to three-quarters of all Pell Grant recipients in New York City, a critical form of financial aid to our neediest and, I can attest, many our most dedicated students. Similarly, New York's remarkable investment in the Tuition Assistance

Program or TAP is key to our students' ability to attend college. We are very grateful for TAP, but we also believe with some changes it could be even more effective and the result would be even more college graduates in New York.

The emphasis on access and affordability goes hand in hand with what has long been CUNY's outstanding academic credentials. CUNY graduates have won 13 Nobel prizes. They have won more MacArthur Genius Awards than those from any public university but Berkeley. But, I'll note, we just passed Berkeley as having the highest ranked public interest law program in the country. Our students won 39 coveted Fulbrights in the past two years. I recently met a CUNY Honors College graduate, a brilliant Pakistani immigrant, who was named a Rhodes Scholar and is now in her second year at the Harvard medical school. There are many such examples of students who, when given the opportunity, excel beyond our imaginations.

Our faculty are as impressive as our students, and we are grateful for your support which has allowed us to hire many more needed full time faculty. They earn Fulbrights, MacArthurs, and competitive grants in record number, and they are recognized for their excellent teaching as well as their research and creative activity. They are the reason our colleges are consistently ranked as the best values in the nation. This recognition isn't simply a statement about cost—it is a recognition of CUNY's high quality at a reasonable price. And our faculty are, of course, responsible for that outstanding quality.

That talented faculty has been working without a contract—and at salaries significantly lower than their peers—for more than 5 years now and thus far we have been unable to reach an agreement. Last year when I appeared before you I said we were seeking support from the state and the city for an agreement in line with other state unions. We are unfortunately in that position again a year later. I can say without equivocation that my highest priority as well as that of the Board of Trustees and the college presidents is to get this contract settled and pay the increases to which our over 45,000 thousand faculty and staff are entitled.

We know that the knowledge economy increasingly offers its most attractive opportunities to those who attain degrees beyond high school. The share of jobs that require post-secondary education has doubled since I—and perhaps some of you—went to college. Bachelor's degree graduates earn annually, on average, more than \$20,000 more than high school graduates, and their unemployment rate is about half that of those without college degrees. It's important that our students have access to a high quality, extremely affordable education – which is CUNY's signature value -- but they will face tough odds in realizing their dreams unless they stay in school, master their disciplines and bring home diplomas. Here's why this is so important at CUNY: nationally, half of all people from high income families have a bachelor's degree by age 25; just one in ten people from low income families do. But here's the good news: when children born into the bottom fifth of income distribution—many of CUNY's students—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. Intel's Andy Grove called CUNY, where he got his engineering degree, the American Dream Machine. I might also call it the best prescription available to reduce income inequality through opportunity.

CUNY is certainly not alone in not performing as well as we would hope in getting our students to graduation. This is a fact at most institutions of public higher education in the country. And a great many of our 275,000 degree seeking students face more challenges than most in making it to graduation. But we are tackling this head on. We have put in place – and are expanding -- a number of programs to provide

the support that helps thousands more achieve that goal every year. In some instances, the results have been encouraging, in others revolutionary.

For several years we have been gearing up a program for raising what had been low three-year graduation rate at our community colleges, less than 20 percent at some. Nationwide, the three-year graduation rate at urban community colleges is 15 percent. That is simply unacceptable. The students left behind face the prospect of taking on debt and yet still not obtaining the means of improving their future earnings.

To address this daunting challenge, CUNY designed and rolled out a program called ASAP, which is considered one of the most significant outcome improvement initiatives in higher education. The students must commit to studying full-time, they stay in cohorts so they enjoy the benefits of peer support, they receive large amounts of financial aid, they have advisors continually monitoring their performance, they take prescribed courses initially to eliminate the mystery and confusion of trying to enroll in numerous classes. And, modest as it may sound, one of the benefits that the ASAP students say they like best is free metrocards. It means that they can always make it to class.

And, I can tell you, they do. Three-year graduation rates among ASAP students have soared to 55 percent in the most recent class and we feel we may be able to reach 60 percent, more than triple the old level. And now, with generous support from the city and the state, we are scaling up ASAP from 4,000 students last year to 25,000 in three years, including the first full implementation at one of our community colleges and a pilot at a senior college. Eighty-seven percent of those students are black, Hispanic or Asian. ASAP's great success and our rapid expansion is why we would like to ask that you restore \$2.5 million to our requested ASAP budget.

Johnny Lozada can tell you what that success means. By his own admission, he had been in a dead-end job, a result of the fact that he did not have a high school degree. He was jolted one day, as he recalls, when his son said he wanted to be just like Johnny. That, Johnny realized with embarrassment, was the last thing he wanted, and he decided he had to teach by example. He worked hard to get his GED and then entered CUNY as an ASAP student. The close advisory support, the sense of community and ability to focus on and overcome academic weaknesses helped him earn his associate degree. That took him to New York University, where he received a degree in applied psychology.

So Johnny Lozada went from someone who firmly believed, in his words, "I didn't think I was made for college," to his current position; he is an outreach coordinator at La Guardia Community College's Fatherhood Academy, where he mentors and helps young Dads make the transition he did, to college. And now his daughter, who had no interest in college either, is studying at CUNY. She is in ASAP.

There are other programs that deliver important results in our focus on attainment. We provide day care on campuses for about 1,400 children, an essential tool helping our many students with children stay in school and get the degrees so they can build healthy families. We are requesting that you restore a \$900,000 request for our budget to support this care.

Another item I hope you will consider including is funding for the newly accredited CUNY School of Medicine at City College, which opens its doors next fall. This new college will build on 40 years of success of the Sophie Davis School of Social Medicine and is uniquely designed to serve the important mission of CUNY cited earlier. Almost half of the students will be from underrepresented groups—many times the national rate, and most of our graduates will practice in federally designated underserved areas.

It's a natural for CUNY and New York, and we're asking only that the School receives the same per student funding now provided for SUNY medical schools.

I want to turn now to the items included in the Governor's Executive budget. The eye-catcher was, of course, the suggested shift in CUNY funding, proposing that New York City assume responsibility for 30 percent—or \$485 million—of operating costs and debt service. The proposal was accompanied by an investment of \$240 million to help settle our bargaining agreements, which was a most welcome recognition of the importance of this resolution. Determining the appropriate level of state and city support for CUNY is an important responsibility of our elected leaders, especially in this body. My obligation, I believe, is to convince you that a strong CUNY is vital to the future of the state and those New Yorkers who need opportunity the most. I would argue there is a need for greater overall investment in an institution that is responsible for 500,000 students every day. To serve them and the state well, it is essential that the investment in CUNY be stable, secure and adequate; that, in my mind, should be the discussion we have. Of the many investments the state is asked to make, I am convinced that higher education produces one of the highest returns on investment you can achieve, and its one that changes the trajectory of generations.

The Governor has recently expressed concern about costs in higher education, at both SUNY and CUNY. CUNY has a strong record of consolidating operations, sharing services and seeking efficiencies. Just this year we cut \$50 million in costs through a series of steps including hiring freezes, purchasing reductions, reductions in temporary employees and more. And CUNY has been a national leader in consolidating back office functions and implementing shared services in many areas such as information technology, human resources, admissions and financial aid, security and more. But we embrace our role as stewards of public funds, and we know we can always improve. We will continue to look at ways to shift expenditures to those areas directly affecting the outcomes of our students.

In his Executive budget Governor Cuomo provided support for a number of important programs, and we very much appreciate his recognition of the importance of those investments. The Governor has proposed a renewal of a predictable tuition policy in his budget, which has for the last five years provided an important opportunity for the university to make thoughtful investments and has allowed students to be in a position to plan ahead for moderate increases, avoiding the kinds of spikes we saw before the 2011 plan was adopted. No one likes to increase tuition, and especially at CUNY. I am very sympathetic to our student leaders who oppose tuition increases, but the truth is we have one of the lowest tuition levels in the country and today approximately 80 percent of our associate and bachelor's degree graduates leave with zero federal debt. And we must be in a position to continue to invest in new faculty, academic advisors, and more to offer our students a high quality education and the opportunity to graduate on time.

Because of this policy, during the last four years we were able to add about 1,000 new full-time faculty and increase student success significantly. Access does not seem to have been restricted; our enrollment grew during this same period by over five percent or 13,000 students, essentially the size of a new campus, and this year we have our largest enrollment in history. During this same time, graduation rates went up at both senior and community colleges, 20 percent more degrees were awarded annually, and more credits were earned and skills proficiency achieved during the freshman year. We have committed to freezing community college tuition next year—thus 100,000 of our students will see no change. To help us make good on that commitment to our students who need it most, we are seeking an increase in base aid of \$250 per student. And for the senior college students, we commit to carefully reviewing our needs each year and proposing to our Board thoughtful, required increases, not automatically charging the maximum authorized.

The continuation of the Governor's performance funding program is also a welcome investment in innovative programs to support our students. Each of our colleges received funding to support new initiatives related to our performance measures and student success. The continuation of funding will position us to make sustainable investments that will lead to improved outcomes over time.

The Governor's support for the DREAM Act is a priority CUNY strongly endorses. We have been more successful than any university in the country in attracting private funds to support scholarships for dreamers, working closely with the TheDream.US Foundation.

We have a number of important capital requests, beginning with the need for adequate investment in our critical maintenance. We are grateful for the \$103 million in the Executive Budget, but our needs are greater. 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 among the most urgent capital issues facing CUNY. Many of our labs are dated and need to be modernized with the latest teaching tools our students deserve. In 2007, in partnership with SUNY, we conducted a study to see what it would take to bring our campus facilities to a state of good repair. The need was \$3.2 billion, which was expected to double if not addressed over the following decade. The study was updated in 2012, and while progress has been made, the backlog was still estimated at \$2.4 billion.

Our campuses are open seven days a week, with classes scheduled throughout the day and most evenings. We have 28 million square feet of space, but we need considerably more. There are 55,000 more CUNY students using our buildings than there were a decade ago—in other words, the equivalent of adding a university larger than Michigan using already stressed facilities. Our request includes important priorities at Baruch, Hunter, Medgar Evers, Brooklyn College, CSI, Lehman and more. Many of these are science and health professions buildings that are necessary not only to provide opportunities to our students but to meet health medical, science and technology needs in New York.

I look forward to discussing CUNY's budget request and any other issues, and I once again offer my thanks for your continued support for public higher education and CUNY specifically. The Legislature has given CUNY a challenging and critical mandate, and in embracing this role, the university has responded with outcomes that have served the state well. We will continue to do all we can to see that the mission we share, which means so much to so many, is successful.