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**ASSOCIATED GENERAL CONTRACTORS
OF NEW YORK STATE**



The New York State Chapter of the
Associated General Contractors of America

Testimony of the Associated General Contractors of New York State

Joseph Hogan

Vice President of Building Services

Joint Legislative Public Hearing on the 2016-17 Executive Budget Higher Education Proposal

Good morning Senate Finance Chairwoman Young, Assembly Ways and Means Chairman Farrell, and Members of the Committee. I am Joseph Hogan, Vice President of Building Services for the Associated General Contractors of New York State (AGC NYS). AGC NYS is the leading statewide trade association for New York's construction industry. We represent nearly 600 contractor, subcontractor and related firms and have more than 80 years of experience working with public agencies and private developers to deliver quality projects that are the lifeblood of our economy. Our Members perform the majority of the public and private transportation, education, environmental and building infrastructure work in every region of New York State. I thank you for the opportunity to express our views on the 2016-17 Executive Budget higher education proposal.

My comments today on the Executive Budget Proposal are limited to capital funding for the State University of New York (SUNY) and City University of New York (CUNY).

The State University of New York is the largest comprehensive university system in the United States comprised of 64 institutions, including research universities, academic medical centers, liberal arts colleges, community colleges, colleges of technology and an online learning network. SUNY educates approximately 463,000 students in more than 7,500 degree and certificate programs, and nearly 2 million in workforce and professional development programs.

From 1998 to 2013, the State invested \$10 billion in SUNY's aging academic and hospital facilities through three consecutive multi-year plans. This transformed the execution of SUNY's capital program through development of long-range plans that aligned mission, enrollment and academic program plans with physical space needs. The majority of this investment facilitated the full rehabilitation and modernization of outdated buildings rather than the more costly piecemeal approach that results from year to year funding.

The Governor has proposed a five year capital plan for SUNY that does not meet the needs of its rapidly declining infrastructure. The Governor's five-year SUNY capital plan allocates a total of \$1.633 billion including \$1.025 billion for educational facilities, \$750 million for hospitals, \$250 million for residence halls and \$183 million for community colleges. The proposal falls short of the \$4 billion requested by SUNY for core operations and critical maintenance which will allow campuses to plan and address the most critical safety and building stabilization projects before potentially catastrophic situations arise. It ensures that fire alarm and safety systems are functioning properly, sidewalks and pathways are lit and safe and that heating and cooling systems are operational.

AGC NYS knows that investing in SUNY results in direct and indirect jobs, attracts new industries, and facilitates the cultural, societal and economic collaboration with communities. Much more than that, SUNY campuses have proven to be powerful economic incubators across our State; blazing the trail of

exciting new industries and generating private investment and job creation as well. Capital investment creates opportunities and a better way of life for all New Yorkers—and a stronger, brighter economic future for New York.

AGC NYS supports SUNY's request of a five year, \$4 billion capital program. This capital program request includes \$3 billion to maintain core operations and critical maintenance needs and \$1 billion for transformational strategic and high priority initiatives. Attached you will find a letter from a broad coalition of businesses, SUNY Student Assembly, minority and women owned contractors, and others in support of SUNY's \$4 billion budget request.

With regard to CUNY, as many of you know, CUNY is the nation's largest urban public university with 25 institutions spread out in over 300 buildings and 28 million square feet of space to educate the 275,000 degree-credit undergraduates and 218,000 adult, continuing and professional education students. Of the 28 million square feet of CUNY's building space housing these students, 11 million square feet is over fifty years old and rapidly deteriorating while only 2 million square feet is less than ten years old.

The Executive Budget CUNY capital proposal recommends \$247.6 million in new appropriations/funding: \$103 million in senior college critical maintenance appropriations; \$52.7 million in matching appropriations for community college projects that have already received funding from the City of New York; the fourth \$55 million installment of CUNY 2020 Challenge Grant appropriation available to all CUNY colleges and schools; and \$37 million for operating expenses incurred by the capital construction program of the University. The budget also re-appropriates \$2.5 billion for the senior and community colleges, for a total of \$2.75 billion available in appropriations for CUNY.

The Executive Budget proposal does not meet the needs of the CUNY capital budget request of \$6 billion over five years. CUNY has identified the following priorities in need of funding including a state-of-good-repair effort, completion of ongoing, partially funded projects, new facilities, technology upgrades, and energy conservation.

Modern and well-designed buildings and classrooms are essential to achieving the high performing learning environments necessary for today's students and future generations. Attractive and high quality facilities play an important role in a student's choice of college. Lecture halls built in the 1960s are far from what can be considered a modern day classroom.

AGC NYS urges the legislature to work with the Governor on increasing funding for the aging CUNY buildings' infrastructure.

In conclusion, modern, safe and reliable infrastructure is of paramount importance not only as a catalyst for job creation but also as a key driver for the State's economic performance and competitiveness. The Executive Budget proposal offers key advancements and investments, but also presents areas in need of improvement, such as capital funding for SUNY and CUNY. We look forward to working with the Legislature to improve upon the Executive Budget proposal to best meet the whole State's significant public education infrastructure needs. Thank you for this opportunity and I welcome your questions and comments.