

TESTIMONY OF THE PROFESSIONAL STAFF CONGRESS/CUNY MAYOR'S PRELIMINARY 2022 BUDGET

Delivered by Dr. Barbara Bowen, President, PSC

March 3, 2021

- Thank you for your advocacy throughout this difficult year for The City University of New York and the faculty and staff represented by the Professional Staff Congress/CUNY. The PSC's 30,000 members are grateful for the restorations you have won in recent budgets.
- The PSC calls for a fundamentally different approach than the approach you heard from the CUNY administration: we call on you to join us in advocating for a major increase in CUNY funding, not simply for a budget that returns funding to pre-pandemic "normal." "Normal" was crushing CUNY and sabotaging our students. "Normal" was planned poverty and racialized disinvestment. New York must do better. This is the moment not just to *protect* CUNY from budget cuts, but to think strategically about the future of the city and *invest*. The future of CUNY is the future of New York.
- We know this is a budget year unlike any other. We are aware of the strains on the City budget and the urgency of federal stimulus funds for the City. The PSC, as part of our national union, is campaigning aggressively for federal funds for states and localities. But especially in this challenging year, when the impact of COVID hit primarily communities of color hardest, investment in CUNY is critical.

Racial Disparities in Higher Education Attainment in New York City

- As the Council seeks to develop a budget that supports racial justice as part of economic recovery, we call attention to the importance of supporting CUNY as a potential force to counter systemic racism. The Center for an Urban Future recently released a report that reveals gaping racial disparities in college attainment in NYC:

"Just 20 percent of Hispanic New Yorkers, 27 percent of Black New Yorkers, and 45 percent of Asian New Yorkers hold a bachelor's degree, compared to 64 percent of white New Yorkers," the report states.

The disparities within neighborhoods are even more shocking. In Jackson Heights, 11 percent of Hispanic residents hold a bachelor's degree, compared to

58 percent of white residents. In Bushwick, 71 percent of white residents have a bachelor's degree or higher, compared to 24.5 percent of Black residents and 14 percent of Hispanic residents. These disparities come at a time when the city's economy is increasingly bifurcated, with "a large number of low-wage jobs . . . accessible to individuals without a college credential and a smaller number of higher-wage jobs that mainly went to those with at least a bachelor's degree." Unless CUNY is adequately funded, it will be unable to address these life-defining inequities.

- For the city's working class and communities of color as they seek to rebuild their lives after the economic devastation of the pandemic, CUNY is likely to represent the only chance to earn new credentials or a college degree. New York will not rebound if whole communities are left behind. If we are committed to an inclusive or anti-racist economic recovery, new investment in CUNY is essential.

New York City needs a vibrant CUNY to recover from the pandemic

- We urge you to pass a budget that paves the way for a vibrant future for New York City. To do that, we urge to include:
 1. **\$77.3 million to reverse cuts** in the enacted FY 2021 budget and eliminate proposed cuts through "cost efficiencies" in the Mayor's Preliminary Budget for FY 2022;
 2. **\$23.8 million to provide revenue** support to offset the loss in tuition from enrollment declines resulting from the pandemic, as requested by CUNY;
 3. **\$20.4 million** to support the first year of the New Deal for CUNY. Last month a bold plan called New Deal for CUNY was put forth by the State Legislature. I will explain more about this plan below but we are grateful to State Senator Gounardes and Assemblymember Reyes for their leadership in Albany on sponsoring this legislation

This request represents a total increase of \$121.5 million over the FY 2022 Preliminary Executive Budget allocation for The City University of New York.

- The Preliminary Executive Budget proposes cuts to ASAP, information technology, tutoring, and basic OTPS funding. CUNY simply cannot sustain such cuts. The CUNY community colleges are already cut to the bone; they cannot be cut further. CUNY has also been targeted for "cost efficiencies" in the current year and in the FY 2022 Preliminary Executive Budget. There is nothing efficient about undermining the nation's largest urban university in the city that continues to be devastated by COVID exactly when the university is needed most. We call on you to reverse these cuts. And we join

the University in asking the CITY to provide \$23.8 million to offset the short-term losses in tuition revenue because of the pandemic. Community college enrollment will rebound; allowing the community colleges to be hamstrung because of a temporary drop in enrollment will leave them unable to serve New Yorkers for many years to come. The PSC is also joining the University in urging the State to hold the CUNY community colleges harmless against reductions in per-student base aid during the temporary decline in enrollment because of the pandemic.

Introducing a New Deal for CUNY

- In addition to the defensive budget measures above, the PSC calls on the Council to join us—and join your legislative colleagues in Albany—in imagining a new future for CUNY. We ask you to support the initial year of a New Deal for CUNY (S4461/A05843). The legislation, introduced in recent weeks in Albany, establishes appropriate ratios of mental health counselors, academic advisors, and full-time faculty to students, ensuring a high-quality experience for CUNY students. It also returns CUNY to the tuition-free model that prevailed for more than a century. The new provisions in the legislation would be phased in over five years, but to get started in FY 2022, we request \$20.4 million from the city. The funding would enable CUNY to take the initial steps to ease the tuition burden and move toward these ratios at the community colleges. We have also called on the State to make analogous investments in the four-year CUNY colleges and in base aid to the community colleges.

Proposing PILOT funding for CUNY

- As we work together to develop new ways of funding CUNY and new State legislation, I also want to remind you of PSC's proposal for a payment in lieu of taxes (PILOT) to increase the City's tax revenue and create a dedicated funding stream for CUNY. Our proposal is attached to this testimony.

Holding CUNY accountable for federal CARES funds

- Finally, we call on the Council for your advocacy in addition to the \$121.5 million budget allocation. CUNY received \$251 million from the CARES Act and is scheduled to receive an additional \$455 million from the CRRSAA. While the University used substantial CARES Act funding in direct aid to students, as required in the legislation, it has failed to spend even its first allocation and continues to hold approximately \$72 million in CARES Act funds. Meanwhile, nearly 2,000 adjunct faculty and staff are still laid off, closed class sections and cut course offerings. We call on you to demand a public accounting of CUNY's use of the funds and to join us in urging the University to use the federal funds

as they were intended—to keep employees on payroll and address the urgent needs created by the pandemic.

- Thank you for your commitment to public higher education. PSC's 30,000 members work at CUNY and stay at CUNY because we believe in our students and CUNY's mission. But New York City will not recover from the economic crisis laid bare by COVID if CUNY is not strong. This is not the time for the Council to shy away from giving CUNY what it has needed - we urge you to lead a new course for public higher education in New York City.

NYC Advisory Commission on Property Tax Reform
October 15, 2018
Testimony of the Professional Staff Congress/CUNY

*Delivered by Dr. Barbara Bowen, PSC President,
Dr. Michael Fabricant, PSC Legislative Representative*

- Thank you for this opportunity to offer testimony and for your collective service to the City of New York. We also want to thank Mayor de Blasio and Speaker Corey Johnson for convening the Commission.
- We represent the 30,000 faculty and academic staff at The City University of New York, CUNY. We want to bring to the Commission's attention a significant source of foregone tax revenue that should be given serious consideration. Our proposal goes beyond the Commission's goal of a neutral financial impact on the City and would result in additional income for the City, which we propose to earmark for a specific public purpose.
- We believe that the Commission should consider whether it is still appropriate to exempt private universities from virtually all NYC property taxes. Specifically, we ask that you consider whether the two largest private universities, NYU and Columbia, both of which receive enormous benefit from NYC public services, should continue to be exempt from almost all property taxes.
- Not only do Columbia and NYU rely heavily on City services, such as transit, parks, firefighters, sanitation and police—all of which they receive without paying almost any property tax to the City—but they also rely on the city's extraordinary cultural institutions and libraries in order to attract scholars, researchers and students. It is fair to say that neither university would have been able to expand as it has in the last two decades without the services and the benefits of New York City.
- We focus on these two large university systems because of the impact of their foregone property taxes on the City's budget, and also because both have undertaken massive expansion in recent decades. We believe that neither university would have been able to expand as it has without the huge investments the City has made in improving the quality of life in New York.
- A very conservative estimate of the value of the foregone revenue is \$189 million annually from NYU, and \$274 million annually from Columbia. That is a total of \$463—close to a half-billion dollars—in foregone property taxes per year.
- Those estimates are based entirely on the Department of Finance figures and formula for determining market value. We believe the figures are too low to reflect the actual market value of the untaxed property, but they are an important starting point.

- NYU and the NYU Hospital System own 105 buildings in Manhattan and Brooklyn. Most are fully exempt from property taxes; about a third are partially exempt. The Department of Finance gives these holdings an assessed value of \$1.7 billion, which converts, through DOF's own formula, to a market value of \$3.7 billion. The potential property tax responsibility of NYU, according to the DOF formula, would be \$188.5 million.
- Columbia and Columbia/Presbyterian Hospitals own 194 buildings. Assuming these buildings are all class 2, 3 or 4 buildings, the market value of Columbia's real estate, based solely on the DOF figures, would be \$5.6 billion. The corresponding property tax would be \$274 million.
- We suspect that the provision in the State Constitution for property tax exemption of private universities never contemplated mega-university systems such as Columbia and NYU, both of which have vast and valuable real estate holdings, as well as multi-billion-dollar endowments.
- NYU's endowment is \$4 billion. Columbia just announced last week that its endowment had reached almost \$11 billion.
- This is not an attack on Columbia and NYU. Both universities contribute tremendously to the cultural and intellectual life of the city. As academics ourselves and representatives of an academic union, we value the colleagues and intellectual community generated by the presence of Columbia and NYU. These major universities, with their communities of scholars, artists, professional schools and public programs, are a significant resource for New York City.
- But the majority of NYC's college students do not attend Columbia or NYU.
- The majority of New York City's college students attend CUNY. 60 percent of high school graduates in New York City go to CUNY. And CUNY is profoundly underfunded.
- While NYU and Columbia pay no property taxes and their students get the benefit of small classes, full-time professors, readily available counselors, abundantly equipped libraries, laboratories and student centers, CUNY students have to make do with crowded classrooms, leaky ceilings, too few full-time professors and a dangerous shortage of counselors. CUNY undergraduates at the community colleges, which receive funding from the City, are 85% people of color and have average family incomes below \$30,000.
- **We propose that the Commission rethink the tax exemption of Columbia and NYU, collect appropriate tax revenue from these two major universities, and invest that revenue in New York's *public* university, CUNY.** It is profoundly unjust that New York's big, expensive private universities reap all the benefits of being tax-free in New York City, while New York's public university is starved of funds.

- Balancing the resources the City receives from institutions of higher education with the urgent need for resources at its public university would be a major step toward reducing inequality in New York.
- Other cities in New York State, including Syracuse and Ithaca, and other cities nationally, such as Boston and Providence, have approached the problem of tax exemption for private universities by making agreements for Payments in Lieu of Taxes, or PILOTs. It's time for New York City to start collecting all or at least part of that foregone half-billion dollars and start investing in decent conditions for the vast majority of the city's college students.
- We believe that a PILOT would be a good solution for New York City. The City could reach agreement on a PILOT for Columbia and NYU without having to change the provision in the New York State Constitution.
- New York City cannot be the fairest big city in the world—it cannot be even minimally fair—while the 275,000 CUNY students endure substandard learning conditions and the big private universities reap massive benefits from being in the city but do not pay property taxes.
- We believe that collecting a fair share of property taxes from two heavily endowed private universities and directing it to relieve some of the extreme underfunding of CUNY would be an appropriate, even exemplary, goal for the Advisory Commission on Property Tax Reform.