



**STATEMENT
OF THE
NEW YORK PUBLIC INTEREST RESEARCH GROUP (NYPIRG)
BEFORE THE
ASSEMBLY STANDING COMMITTEE ON HIGHER EDUCATION
REGARDING THE COST OF HIGHER EDUCATION IN NEW YORK STATE**

**DECEMBER 12, 2012
ALBANY, NEW YORK**

Good afternoon. My name is Kevin Stump. I am NYPIRG's Higher Education Program Coordinator. With me today are college students from across New York State who are here to share their stories of how they struggle to pay for their college education. We greatly appreciate this opportunity to examine the impact that increasing college costs, at both public and private colleges, is having on New York State students and their families.

The New York Public Interest Research Group (NYPIRG) is the state's largest non-partisan student directed research and advocacy organization. Our Board of Directors consists of college and university students elected from campuses with NYPIRG chapters from across the state. NYPIRG students, by working on the pressing issues of the day, including environmental preservation, consumer protection, public health, government accountability and reform, voter registration and higher education access and affordability, augment their classroom work, gain valuable workplace and civic skills, and learn first hand about public policymaking.

NYPIRG views this public hearing, which is specifically about access to affordable higher education, as part of the crucial discussion about the entwined issues of access and affordability of higher education and the state's economic prosperity. When the federal Affordable College Cost Reduction & Access Act of 2007 was set to expire on July 1, 2012, Congress and the president had a five-month debate over how to pay for keeping the student loan interest rate at 3.4%. This "pay-for fight" focused a much-needed spotlight on rapidly rising student loan debt levels. However, the spotlight was aimed too narrowly on student borrowing and missed the opportunity to shed light on the trend of steadily declining state-level investment in higher education and the rapidly rising costs of attending college. These are the key drivers that led to the student loan debt crisis to begin with.

In 2012 and 2013, policymakers have left many students with the bad choice of either accumulating student loan debt or not affording college at all. Instead of making college more affordable, students are offered a variety of "Know Before You Owe" plans. While these initiatives are important to help students and their families best understand their options when it comes to college finance issues, *they fail to actually make college more affordable*. That is why we are grateful this committee is focusing on creating responsive policies that truly address the crisis of rising costs and decreasing aid.

Repeal NY SUNY 2020 tuition hikes and freeze tuition rates. Reductions in state support to public institutions, which began in the early 1990sⁱ, have forced tuition to rise rapidly and have been one of the driving factors behind skyrocketing student loan debt. Nationally for the first time student loan debt has surpassed that of credit card debt, reaching a staggering \$1 trillion.ⁱⁱ For the class of 2011, 60% of students graduating in New York had an average student loan debt of \$25,851.ⁱⁱⁱ The incremental tuition policy included in NY SUNY 2020, which raises tuition \$300 annually for five consecutive years, kicked in during the Great Recession, a time when New Yorkers could afford it least.

Create a sustainable funding plan for SUNY and CUNY. The maintenance of effort provision included in NY SUNY 2020 requires that the state appropriate and make available state support for operating expenses in an amount no less than provided in the prior Fiscal Year, unless the Governor declares a fiscal emergency^{iv}. Although the state has promised not to cut funding at least until NY SUNY 2020's stipulated tuition increases end in 2016, there is no recovery plan to help institutions bounce back from the legacy of devastating budget cuts. Furthermore, this plan coupled with SUNY's new enrollment-based Resource Allocation Model, has left most of the SUNY comprehensive colleges still having to face another year of unsustainable budget cuts.^v

Update and fix the Tuition Assistance Program. As the cost of attending college has skyrocketed over the last decade, TAP has remained stalled since the early years of George W. Bush's presidency. TAP hasn't kept pace with exploding tuition costs or other expenses directly related to attending college. Despite rising tuition, the maximum TAP award established for students has remained at \$5,000 since 2000-2001.^{vi} This means that TAP is out of step with the needs of today's college students. For example, in 2000-2001, SUNY and CUNY tuition was \$3,200^{vii}. During the current academic year (2012-2013), SUNY tuition is \$5,570^{viii} and CUNY tuition is \$5,430,^{ix} outpacing the maximum TAP award.

NY SUNY 2020 attempted to deal with TAP's failure to keep pace with tuition above \$5,000 (the maximum TAP award) at public colleges in New York by requiring each institution to distribute tuition credits to protect students from the TAP award shortfall. However, this approach ultimately leaves universities with less revenue that was once generated from TAP further straining our public institutions to offer a high-quality, affordable higher education.

Expand funding for opportunity programs. New York's opportunity programs serve as gateways to college for many underprivileged New Yorkers. Opportunity programs have long been an instrumental piece to providing access to higher education for some of the neediest New Yorkers. They continue to be a critically important pathway to college and to a more prosperous social and economic future for many. Time-tested programs like the Higher Education Opportunity Program (HEOP) and similar programs give New Yorkers an opportunity they may have not otherwise had to move beyond their challenging circumstances and realize the American dream.

Extend TAP to undocumented youth. New York's waves of immigrants have contributed greatly to the state's vitality and success. In light of this longstanding and mutually beneficial relationship, it is time for New York to join other states by further extending a helping hand to immigrant children who arrived in New York through circumstances beyond their control. The state must act without delay in granting undocumented youth access to TAP to ensure that we continue to offer a fair and equal opportunity to all New Yorkers.

Incentivize colleges to offer lower tuition. Public institutions across the country and here in New York State are coming up with creative mechanisms to offset tuition. For example, SUNY Sullivan is offering their winter courses at half price.^x In Michigan, the state is rewarding their public colleges that keep

tuition down by distributing grants to those schools.^{xi} New York State could develop its own model to reduce tuition while providing schools with much-needed revenue.

Extend the New York State College Tuition Tax Credit/Deduction to graduate students. Currently, there is no TAP available for New York's graduate students. To make matters worse, graduate students rarely qualify for federal Pell grants. In addition to there being no federal or state tuition assistance programs available to graduate students, tax deductions and credits in New York are only available to those pursuing an undergraduate degree. Nationally, graduate degree enrollment has dropped over the last two years by 2.8%^{xii} and at CUNY enrollment has declined 15%.^{xiii} With increasing global competition and the recognized need for post-undergraduate studies to advance in many fields, it is imperative that graduate-level education becomes more affordable for New Yorkers.

As a part-time master's student at CUNY Baruch and full-time professional, I am not eligible for any financial aid. This forces me to add to the already unaffordable student loan debt that I accumulated as an undergraduate at SUNY Plattsburgh.

Drive down the cost of student textbooks. The state should seriously explore implementing open source textbooks to save students money. Using the purchasing power of SUNY and CUNY, New York could lead the way. Information technology and more specifically, the open-source movement, has become more relevant in 21st Century higher education among a generation of students who use mobile devices, notebook computers, laptops, and tablets. An open source approach to textbooks would save students significant amounts of money and help make college more affordable.

In closing, we are thankful that the leadership of this committee recognizes how important it is for the wellbeing of our state to ensure that all New Yorkers have access to an affordable higher education. In this challenging economy, college graduates are more than twice as likely to be employed as their peers who have only a high school degree, according to the federal Bureau of Labor Statistics.^{xiv} That alone speaks volumes about the importance of an undergraduate degree in an increasingly competitive global economy. We look forward to working with you all to ensure that higher education in New York is accessible and affordable to all who have the ability and desire to better themselves and, by extension, New York State.

ⁱ NYPIRG, "Opportunity Costs: Tuition Rates and the Affordability of Public Colleges in New York State," Michael O'Loughlin, Blair Horner and Farouk Abdallah, (1997)

ⁱⁱ Consumer Financial Protection Bureau, "Too Big to Fail: Student debt hits a trillion," Rohit Chopra, March 2012, <http://www.consumerfinance.gov/blog/too-big-to-fail-student-debt-hits-a-trillion/> (10 December 2012).

ⁱⁱⁱ Project on Student Debt, "State by State Data: New York," October 2012, http://projectonstudentdebt.org/state_by_state-data.php (10 December 2012).

^{iv} Governor Andrew M. Cuomo, "Governor Cuomo and SUNY Chancellor Zimpher Unveil Groundbreaking "NYSUNY 2020" Program," May 2011, <http://www.governor.ny.gov/press/050211suny> (9 December 2012).

^v SUNY Geneseo, The Lamron, "SUNY releases enrollment-based Resource Allocation Model," November 2012, <http://www.thelamron.com/news/suny-releases-enrollment-based-resource-allocation-model-1.2960796?pagereq=1#UMevk5hq-yE> (10 December 2012).

^{vi} New York State Higher Education Services Corporation, "Appendix E: New York's Tuition Assistance Program - A History." http://www.hesc.com/content.nsf/CA/Appendix_E_New_Yorks_Tuition_Assistance_Program_A_History (13 August 2012).

^{vii} City University of New York, "The Value of CUNY," February 2011, <http://www.cuny.edu/about/info/value/CUNYValue02072011.pdf> (9 December 2012).

^{viii} State University of New York, "2012-13 Typical Expenses for Undergraduate Students at a SUNY College," https://www.suny.edu/student/paying_tuition.cfm (9 December 2012).

^{ix} City University of New York, "Tuition for CUNY Undergraduate Programs," Fall 20120 <https://www.cuny.edu/admissions/financial-aid/estimating-costs/tuition-fees.html> (10 December 2012).

^{xii} Inside Higher Ed, "The Missing Americans," September 2012, <http://www.insidehighered.com/news/2012/09/28/new-graduate-enrollments-are-down> (10 December 2012).

^{xiii} Council of Graduate Schools, "Graduate Enrollment and Degrees," September 2012, <http://www.cgsnet.org/graduate-enrollment-and-degrees-2001-2011> (10 December 2012).

^{xiv} Bureau of Labor Statistics, "Employment Status of Civilian Population 25 Years or Over by Educational Attainment," Table A-4, January 2012, www.bls.gov/news.release/empstat.t04.htm (10 December 2012).