



CUNY is the **PATH** to New York's Future

THE PSC CASE FOR PUBLIC INVESTMENT IN CUNY AND AGAINST BUDGET CUTS AND TUITION HIKES

New York needs CUNY as never before. This is the moment for bold new solutions, not a return to the failed strategies of the past.

1) **Investment in public higher education is key to reinvigorating the economy.**

- Investment in CUNY is the best investment New York can make for its future:
 - 80% of CUNY graduates stay in New York State.
 - They pump \$15 billion a year into the economy.
 - Almost 90% of CUNY community college graduates are employed within six months of earning their Associate's degree.
- In this economic crisis, Albany and City Hall want to cut investment in public higher education:
 - The State cut CUNY's budget by \$68 million in August 2008. Now Gov. Paterson wants to take \$84.8 million more from CUNY senior colleges, impose a \$600 tuition increase, and cut 11% or \$270 per FTE student from Community College Base Aid.
 - Bloomberg proposes a \$30.2 million cut (or 12.5%) for the 2009-2010 academic year.
- Spending cuts are the *wrong approach* – especially in a recession:
 - “It is economically preferable to raise taxes on those with high incomes than to cut state expenditures,” says Nobel Prize-winning economist Joseph Stiglitz.
 - “Budget cuts reduce the total level of spending,” Stiglitz explains, and this makes an economic slowdown worse.
- Brooklyn College and Queens College were founded during the Depression. The Lehman College campus was built by the WPA. A similar visionary investment should be made now.

2) **How can New York afford investment in this economic climate? By increasing revenue.**

- What New York is really facing is a revenue crisis. Increased public revenue is the alternative to budget cuts and tuition hikes:
 - New York State would have \$20 billion more in this year's budget if it reversed the tax cuts enacted since 1994, which largely benefited high-income earners and businesses.
- Instead of cutting CUNY and other vital public services, New York should restore a fair tax structure. Under the current structure, the rich pay a lower rate than the poor and middle class:
 - Today the richest 1% of New York families (those earning above \$1.6 million a year) pay only 6.5% of their income in State and local taxes;
 - Those with mid-level incomes (\$27,000 - \$40,000) pay 11.6%.
 - The poorest New Yorkers (with incomes under \$15,000) pay 12.6%.
- Progressive revenue options are a real solution:
 - Raising taxes on New Yorkers with household incomes above \$250,000 would raise \$6 billion this year alone.

3) CUNY cannot absorb further cuts: New York State failed to invest in CUNY even when economic times were good.

- New York State investment in CUNY senior colleges was reduced by 25.5% between 1991 and 2005, and only began to recover before being cut again.
- Meanwhile, enrollment has skyrocketed:
 - CUNY has added 47,495 students – or the equivalent of three new colleges – since 2000.
- The best measure of support is per full-time-equivalent-student funding:
 - Since 1990, per-FTE funding for CUNY senior colleges has decreased by 14%.
- Enrollment at CUNY can be expected to increase at an even greater rate as the economic downturn deepens.
 - Families turn to CUNY as an affordable alternative to private college and adults return to college to gain new skills in a tough job market.
 - NYT, 11/11/08: Applications Surge for Courses at CUNY's 2-Year Colleges
- To meet those needs and prepare for a resurgent economy, New York should *increase* CUNY funding, not cut it.

4) Raising tuition is not the answer. The answer is increased public investment.

- CUNY students pay more than ever:
 - 1975: tuition covered 0% of CUNY's budget – CUNY was free!
 - 1989: tuition covered 12.4% of CUNY's budget.
 - 2006: tuition covered 41.5% of CUNY's budget.
- CUNY students are receiving less support from NY:
 - 76% of CUNY students come from households that earn less than \$50,000 annually
 - This year, NYC cut Vallone Scholarships by 39%. In his next executive budget, the Mayor wants to eliminate funding *entirely*.
 - New York's Tuition Assistance Program (TAP) fails to cover the needs of part-time students, non-traditional students, working adults, and financially independent students without children.
- The record shows that increasing tuition does *not* increase CUNY's budget:
 - CUNY tuition was raised four times in the 1990s – and by the end of the decade CUNY had \$245 million *less* in real dollars.
 - The budget shortfall for CUNY, created by decades of disinvestment, is too big to be filled by increased tuition. Tuition would have to be at Harvard levels to fill the gap.

**New York needs CUNY as never before.
Investing in CUNY is an investment in New York's future – our common future.**

Join us at the PSC Budget Hearings

March 12 – City Tech and Staten Island

March 19 – Baruch and Queens

March 26 – Borough of Manhattan CC

April 2 – Bronx CC

April 30 – Hostos

April 30 – John Jay

May 7 – LaGuardia

The PSC is proud to have DC37, NYPIRG, and the University Student Senate cosponsor the hearings.