

New York makes students pay for budget crisis

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New York State's decision to impose a minimal income tax increase on the state's biggest earners to deal with a widening budget deficit unleashed a public furor. The media has given lavish coverage to protests against the misnamed "millionaire's tax" (it created no separate bracket for those making a million dollars or more a year) by the likes of Rush Limbaugh and Donald Trump, who have threatened to leave the state rather than pay 2 percent more.

Little or no attention, however, has been paid to a far more onerous and underhanded tax that has been imposed on hundreds of thousands of people who are far less able to pay it: the state's public university students.

Students of the City University of New York (CUNY) and the State University of New York (SUNY) are being forced to pay a \$620 per year tuition increase. The working class, middle class and immigrant students who attend the public universities in New York City and across the state have been able to do so, in no small part, because they have been offered among the lowest cost university educations available. For over 100 years, through the Great Depression of the 1930s, and up until 1976, the City University system provided a cost free college education.

But now CUNY and SUNY students are being forced to pay directly out of their pockets to make up for the estimated \$17.7 billion dollar New York state budget deficit caused by Wall Street's crisis.

The cost for a full time student at a CUNY four-year college is \$4,000 a year. At the six CUNY community colleges the cost is \$2,800 a year, which is reported to be at the high end of the community college tuition scale. Costs are fractionally higher in the SUNY system.

The percentage cost increase being imposed is 15.5 percent for the senior college students and an outrageous 22.2 percent for community college students—those who can least afford to pay more.

As the CUNY Web site reports, "Thirty-eight percent of first-time freshmen are born outside of the US mainland and 68 percent attended New York City public high schools. Forty-five percent of CUNY undergraduates work more than 20 hours a week and 62 percent attend school full-time, while almost a

quarter support children."

It continues: "Of full-time undergraduate CUNY degree students, 70 percent receive financial aid. Each year, 110,000 CUNY students receive federal Pell grants, state TAP grants, and federal work-study grants."

At a meeting held on March 27 at Queens College (CUNY) to protest the tuition hikes, it was reported that school statistics showed that "more than 60 percent of Queens College and Queensborough Community College students come from households that earn less than \$40,000 per year."

What makes the tuition hike even more cruel and inequitable is that 90 percent of the increase is going not to cover CUNY's and SUNY's budgets, but rather is being diverted into the state's general fund to plug the deficit hole. This amounts to levying an indirect tax, which, in straight percentage terms—not to mention its impact on living standards—is far more draconian than anything being asked of the state's millionaires and billionaires.

SUNY is the largest university system in the US with about 440,000 enrolled students. CUNY is the third largest university system in the country with more than 243,000 students enrolled for degree credit. A \$620 per year payment for every enrolled CUNY and SUNY student would translate into over \$420 million dollars, with more than \$380 million of that money doing nothing to fund education, but rather being used to offset the crisis created by the financial meltdown.

The way in which the Democratic-led state government is pulling this off is as cynical and crooked as the speculative deals on Wall Street that gave rise to the crisis. The budget allows the universities to keep the money from the tuition hikes, but then cuts allocations for the universities from the state's general fund by an amount equal to 90 percent of the total tuition increase in the first year and 80 percent in the second.

Calling the tuition hikes a tax, because almost none of it goes for students' education, Stony Brook University (SUNY) President Shirley Strum Kenny wrote in an April 11 *New York Daily News* opinion piece that this tax "will only apply to those attending New York's public campuses—and those are often the students with the least money, the ones who need jobs—sometimes full-time jobs to pay their bills." Kenny

concludes her column by stating, “This tax is illogical, unfair, indefensible and needs to be revoked.”

The Stony Brook president went on to assert that the state budget has cut \$118 million from SUNY funding; although Governor Paterson’s budget office claims a total funding increase of 2.7 percent for SUNY and CUNY. She writes, “...the state investment keeps being reduced. A total of \$241 million or 16 percent of the state allocation was removed from the SUNY budget for Fiscal Year 2008-2009. Now another \$118 million decrease has been approved for 2009-2010.”

There is also a dispute over whether state financial aid to students has been cut. The CUNY preliminary analysis declares the 2009-2010 state budget does not cut students’ financial aid. But students from the SUNY Albany campus who spoke to the WSWS gave a different account, indicating that aid is being slashed. This may stem from budget cuts—\$96 million from SUNY and \$51 million from CUNY—enacted in a special legislative session called by Governor David Paterson and put into effect in the spring semester this year. In New York City, Mayor Michael Bloomberg doubled the CUNY system’s budget cuts by taking away city funds.

At SUNY Albany, the first university created in the state system and its statewide administrative headquarters, the *World Socialist Web Site* spoke to students about the tuition hikes and budget cuts that have provoked anger throughout the state.

Brittany Cross told the WSWS, “When I found out I was outraged because I pay for my own tuition costs. My parents financially can’t pay for it. So I have to use financial aid as well as student loans. And, because of the tuition hike that means I’ll have to take out greater loans. Because, not only is there a tuition hike but there’s also a decrease in funding for students as well in the state.

“When I went to the financial aid office, they said because of the economic crisis that TAP (Tuition Assistance Plan) funding has been cut. I don’t know who cut it or when, but I just know it’s been cut by whoever is in charge of that. I noticed that I had a larger amount of loans compared to funding from the state so I went to financial aid and inquired about it and that’s what they explained. It was a considerable amount that I’m going to have to pay back in loans.

“I think there’s a cut in funding also because the biggest percentage of the increase we are paying is going toward the state deficit and not toward tuition on campus. It’s not going toward my housing. It’s not going toward paying for my classes, not going toward my food, or anything that’s going to benefit me. So, I’m going to have to pay all of that money back after I graduate. And, it’s going toward the state deficit which I don’t feel like I should be responsible for paying back.”

Kevin Bretscher is studying for his master’s degree in public administration at SUNY Albany. He said: “I am in the Student

Senate and know that 90 percent of the tuition increase this year and 80 percent next year is going to other state agencies, not SUNY, since the entire state is in a crisis. The government sees students as vulnerable. Students are not organized. The student assembly from 60 SUNY campuses did lobby the state legislature and organized a SUNY-wide protest but it was ineffective.

“All school is for is to get you to work. And college isn’t good enough. You even need to go to graduate school.

“People have so much faith in Obama. I voted for him but I think the stimulus is irresponsible. They are not trying to reform the system as much as keep it alive. How much change is it to be supporting the banks?”

Chris Denstsen is a SUNY Albany senior majoring in political science. He said, “I am in the Educational Opportunity Program. The program helps disadvantaged students get into college and then helps them with tuition, books and tutoring to get them through. It has had cuts. I see less and less spots for freshmen trying to get in. There are about 100 in the program at SUNY Albany. Personally I am not for the bailing out of the banks. If the banks are getting assistance, why aren’t the people getting assistance for health care, mass transit, and the staples people need to live on? At the very minimum, we should move toward a universal education and health care system.”

In New York City, Jason King, a junior at City College of New York (CUNY), said, “I don’t believe in a system that requires you to pay so much for education, which is a necessity like air. It sets up a cycle of destruction. The more you have to pay, the more you have to do something to pay this off, and the less you can study. I think it is very bad that they have raised our tuition. I don’t believe in the Democrats because they are the same as the Republicans. I don’t believe in a system that depends on constant profiteering. And Wall Street profiteering has been based on imaginary money. Now we have to pay it off.”



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