
TESTIMONY OF THE ASSOCIATION OF PROPRIETARY COLLEGES

**FOR THE JOINT LEGISLATIVE PUBLIC HEARING
ON THE EXECUTIVE BUDGET PROPOSAL FOR
SFY 2018 - 2019
JANUARY 23, 2018**



Testimony Provided by the Association of Proprietary Colleges (APC)

To Senator Young, Senator LaValle, Assemblywoman Weinstein, Assemblywoman Glick, and all the members of the Legislature, I thank you for giving the Association of Proprietary Colleges (APC) the opportunity to present testimony regarding this year's budget and its impact on the proprietary sector of higher education. My name is Donna Stelling-Gurnett; I am the President and CEO of APC. It is my honor to be here today.

Introduction

The Association of Proprietary Colleges (APC) represents 12 fully accredited, degree-granting colleges operating on 23 college campuses in New York State offering associate, bachelor, masters, and doctoral programs. Our colleges are located across the State from Buffalo to Long Island, Jamestown to Rochester, Syracuse, Albany, and the NYC metropolitan area. There are more than 50,000 students enrolled in proprietary colleges throughout New York State, and APC member colleges serve more than 35,000 of these students.

APC member colleges have a long history of providing an affordable and quality education. The average APC member college has been in existence for more than 90 years and more than half of our members were founded over 100 years ago. APC member colleges are New York-focused, educating local students for lifelong careers that are in demand in New York's communities. Ninety percent of students attending APC member colleges are from New York and more than **90 percent** of those students stay in New York after graduation to live and work. Our colleges also employ more than 6,000 people and are strong economic drivers in their respective local communities.

APC members are committed to keeping college affordable, student loan debt low; academic achievement high; and a path to employment the priority.

SFY 2018-2019 Budget Proposals

APC member colleges are pleased that the Governor is committed to improving access to an affordable higher education for all New Yorkers. While new State investments have been made into the Excelsior Scholarship and the Enhanced Tuition Award programs, programs such as TAP, STEP, CSTEP, and HEOP are fundamental and have created a pipeline and access to higher education of which New York State should be proud.

In addition, APC was happy that the Governor expanded funding for Early College High School programs and continued funding for Pathways in Technology (P-TECH). We requests that access to these programs be expanded to allow proprietary colleges to participate. Many APC member colleges are already partnering with local high schools to provide "Jump Start" or "Middle College" programs. These programs offer high school students the opportunity to earn transferable college credits, tuition-free, while attending high school. This gives high school students the opportunity to earn college

credits and become acquainted with the college environment, giving them a cost-effective head start on their college degree.

Enhanced Tuition Awards Program

Under the FY 2018 Budget, the Legislature appropriated funding and created the Enhanced Tuition Award Program (ETA) to ensure students attending private colleges and universities had access to State assistance similar to that being offered to SUNY and CUNY students through the Excelsior Scholarship Program. College affordability always has been -- and continues to be -- a priority for APC member colleges and our students. With so many of our students hailing from New York communities and remaining in New York after graduation to work, we readily supported the State's additional investment and the innovative idea of linking additional assistance to students staying and working in New York after graduation. APC earnestly supported the ETA program throughout last year's budget process and, in turn, received tremendous support from the Legislature; however, due to a drafting error, the final budget proposal applied only to students attending private not-for-profit colleges. Unfortunately, students attending the New York State's private proprietary colleges were excluded from this crucial education funding.

I'd like to take this opportunity to thank members of the Assembly and Senate for their efforts to rectify this oversight with the unanimous passing of legislation (A.7697/S.5891) that corrected the drafting error in the original budget language to expand the definition of private degree-granting institutions to include students attending ALL private colleges in New York State. Right after the budget passed, we heard from members in the Assembly and Senate about the need to correct the language and ensure that students attending all private colleges and universities had the same access to State support. Legislation was introduced by Assemblyman Pichardo and Senator Klein and quickly gained bi-partisan support in both houses of the Legislature: 35 representatives in the Assembly signed on in support and, in the Senate, the bill was co-sponsored by Senator Young, Chair of the Senate Finance Committee; Senator LaValle, Chair of the Higher Education Committee; Senator DeFrancisco, Deputy Majority Leader; and Senator Stavisky, the Ranking Minority Member on the Senate Higher Education Committee.

While the legislation received overwhelming support in both the Senate and the Assembly, **our students still do not have access to the program.** Unfortunately, the Governor vetoed A.7697/S.5891 along with several other higher education funding bills, indicating that they all should be negotiated during the next budget process. The bills will be reintroduced this session with the same sponsors. **APC respectfully requests that the Governor and Legislature correct this oversight as part of the SFY 18-19 budget, especially in light of early estimates indicating that the ETA program's funding has not been fully utilized this academic year.**

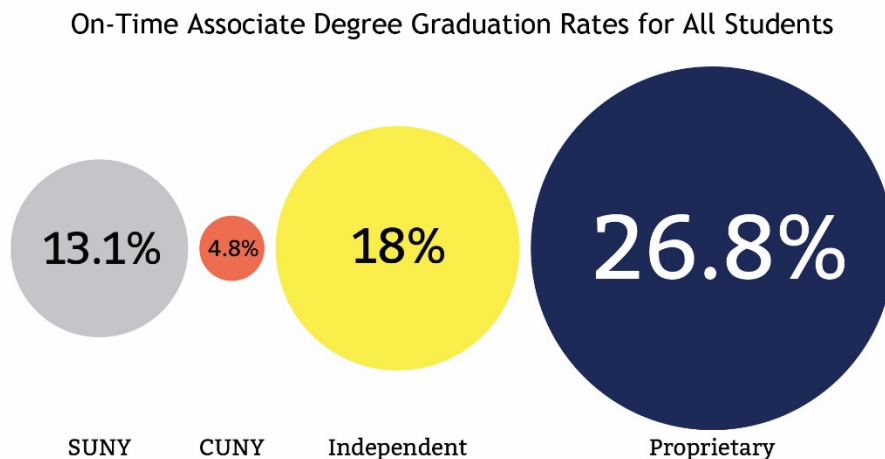
ETA: A perfect fit for students attending APC member colleges

In 1971, the New York State Board of Regents created a pathway for select proprietary schools to obtain degree-granting authority. In order to obtain degree-granting authority, proprietary institutions are required to meet all of the same stringent standards for program registration as SUNY, CUNY, and private not-for-profit institutions. In 1972, Berkeley College, LIM College and Monroe College were some of the first proprietary institutions to receive degree-granting authority -- today, these institutions proudly continue to successfully educate thousands of students each year. These colleges receive no direct State or federal aid, yet they provide quality programs with strong academics, exceptional on-time graduation rates, and enviable job placement outcomes -- all with the best interest of their students in mind. This makes these institutions and the educations they provide the best value for both the students they serve and New York State's taxpayers.

Consider the following facts and statistics:

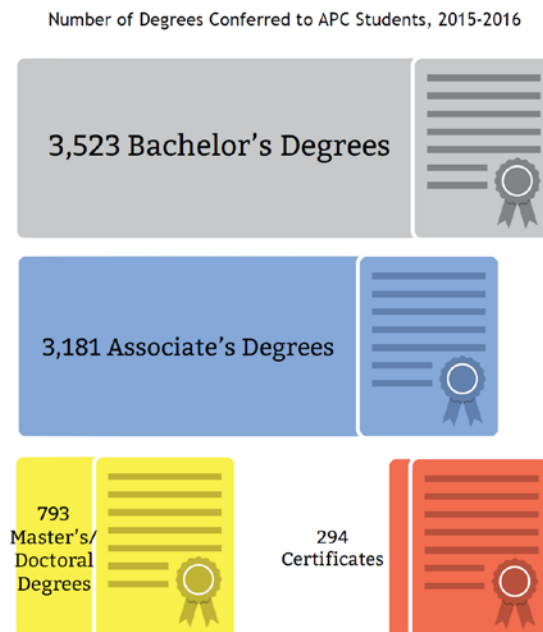
- **NYS residency requirement:** 90 percent of students attending APC member colleges are New York State residents, and 90 percent of those students remain in New York State after graduation to live and work.
- **On-time graduation rates:** APC member colleges believe on-time graduation is important and key to keeping student loan debt as low as possible. Many of our member colleges offer a 12 credit, 3 semester model that encourages students to attend year-round and reach graduation sooner.

Consider the following 2016 graduation rates for associate's level degrees published by the NYS Education Department:



Source: NYS Education Department, 2016 Data

- Based on recent data from IPEDS, in the 2015-2016 academic year, APC member colleges conferred 7,791 certificate, associate, bachelor, masters, and doctoral degrees. Of those degrees, 793 were masters and doctoral degrees.



Source: IPEDS, U.S. Department of Education

- **High job placement rates:** In a recent APC member survey, our colleges reported an average **85 percent job placement rate in the field of study within 12 months after graduation**. Not only are students attending APC member colleges staying in New York after graduation, they are filling the needs of local employers, especially in high demand fields such as healthcare, and contributing to the overall economic development of New York State.

Internships are a critical component to the education process and prepare our students for employment after graduation. At most APC member colleges, internships are a core requirement and truly highlight the value of the educational experience.

- **College Affordability:** In the 2015/2016 academic year, **average tuition at APC member institutions increased less than 1 percent** and our **member colleges provided more than \$95 million in institutional aid**. This is possible because APC member colleges are adept at identifying operating efficiencies without negatively impacting faculty development or student support systems. For example, using e-textbooks or textbook rentals for course material is much more cost effective than requiring students to purchase textbooks outright.

APC member colleges offer their students exceptional support throughout their college experience. Individual attention, small class sizes (with an average student-to-faculty ratio of 17 to 1), financial aid counseling and financial literacy training, and career development are key components found at every APC member institution. This attention and support translates into more students successfully graduating on time with lower student debt overall. According to recently released College Scorecard data, **students graduating from APC member colleges accumulate an average of \$21,900 in student loan debt – a debt load significantly lower than both New York State’s average student loan debt of \$32,200 and the national average of \$29,700.**

- **Serving women and minority students:** Each year APC institutions welcome diverse classes with high enrollments of minority and female students – in fact, **in 2015, women comprised 69 percent of the students at all member institutions combined, and some institutions’ average student populations are closer to 80–90 percent female enrollment.** Assemblywoman Crystal Peoples Stokes, Chair of the Legislative Women’s Caucus, has provided a letter in support of A.7697/S.5891.
- **Serving veterans:** APC institutions currently **educate more than 2,000 veterans;** APC institutions participate in State and federal support programs for veterans, provide additional scholarships, and implement institutional veteran support services to ensure that our nation’s service members and veterans successfully complete their degrees. Assemblyman Michael DenDekker, Chair of the Assembly Standing Committee on Veterans’ Affairs, has provided a letter in support of A.7697/S.5891.

Students Impacted

By barring students attending proprietary colleges from receiving ETA awards, New York State is denying educational opportunities for thousands of people who are working to better themselves, build careers, and support their families. Therefore, we respectfully ask for your support in allowing our students to benefit from the Enhanced Tuition Awards program.

APC institutions estimate that approximately 8,500 students would be eligible for an ETA award at some level, for an estimated total usage of approximately \$5 to \$7 million.

Following are profiles of just a handful of the students attending APC Member colleges who could benefit from the Enhanced Tuition Awards program:

- **Ashley, a freshman at Bryant & Stratton College, Albany Campus**
Ashley is an extremely bright student that graduated with an Advanced Regents diploma from a small rural high school in upstate New York and began her college career this fall at Bryant & Stratton College. She made the decision to attend Bryant & Stratton College because she noticed how devoted the instructors were to each student and how much smaller the class sizes were compared to larger colleges and universities. Ashley’s mother is a graduate of Bryant & Stratton College and her sister, Janessa, also currently attends Bryant & Stratton College.

Ashley is pursuing a bachelor's degree in marketing and intends to earn a CPA (certified public accountant) certificate as well. Ashley is impressed with the way Bryant & Stratton College encourages students to complete their degrees and how the College's Career Services department helps students prepare to enter the workplace upon graduation -- she is very confident that she will land the right job when graduating.

Ashley currently receives \$1,993 in TAP awards, \$2,735 in Pell grants and institutional aid from Bryant & Stratton College of \$2,435. To cover the gap in funding, Ashley also takes out \$2,722 in student loans however, if she were eligible to participate in the ETA program her student loan debt would be reduced significantly.

- **Leanna, a freshman at LIM College**

Leanna chose to attend LIM College to pursue a degree in the College's new B.S. in Fashion Media program (one of the few of its kind in the U.S.) and she is expected to graduate in May 2021.

She is currently receiving the minimum TAP award of \$500 and is not receiving a Pell Grant. Leanna is receiving a total of \$10,000 in LIM institutional aid for the 2017-18 academic year, but still needs federal and private student loan funds of over \$20,000 to meet her tuition, fees, and housing expenses for the year.

If she could participate in the Enhanced Tuition Award program, she would be eligible for a \$5,500 award that would have allowed her to borrow \$5,500 less in her private student loan for 2017-18... and if her eligibility remained the same for all 4 years of study, she would be able to potentially reduce her total student loan debt by \$22,000 for her entire program!

- **Jayson, a freshman at Five Towns College**

Jayson chose to attend Five Towns College to pursue a mass communications bachelor's degree and is expected to graduate on-time in May 2021.

Jayson is from Jamaica (Queens), New York, and his mom is a hardworking mother of four children, who has single-handedly raised them since the death of Jayson's father. The neighborhood where Jayson is from is nicknamed "Brick Town" and "Poverty City".

Jayson decided to attend Five Towns College because his goal is to learn more about film and television because he has always been in love with television and movies. Jayson transferred to Five Towns College from the Borough of Manhattan Community College for a more hands on experience and a smaller community.

Jayson is currently receiving \$5,900 in TAP awards and \$5,115 in Pell grants, as well as \$7,995 in institutional aid from Five Towns College. He is currently on a payment plan to cover the remaining \$9,500 tuition gap. If Jayson were allowed to participate in the Enhanced Tuition Program, it would greatly reduce his monthly payments.

- **Nadia, a senior at Five Towns College**

Nadia is pursuing a bachelor's degree in business management at Five Towns College and is scheduled to graduate on-time in May 2018.

As a young girl growing up in foster care, Nadia felt her only way to achieve a better life would be school and music. Even at a young age, she was motivated and determined to better herself. She forced herself to go to school when she didn't have clean clothes, even though she knew she would be teased. She woke up at dawn in order to make the three hour trip to attend a 45 minute class on time so that she could complete high school.

The day of her graduation, she cried tears of joy -- not only because she was a high school graduate, but because she was a survivor. Graduating from high school was just one goal of hers: Nadia plans on inspiring people and giving them a sense of hope through music. Her goal is to save lives like music saved hers. With her aspirations of studying music and learning the inner workings of the music business industry, she felt Five Towns College's small classes and opportunity to live on campus would allow her to thrive academically.

Nadia has continued to persevere through tough times. She has taken a full load of credits every semester and has continued to struggling financially, especially during the times when college is not in session. Additional funding would change Nadia's life and grant her the ability to excel in her studies beyond what her financial limitations currently allow.

This academic year she received \$5,065 in TAP, \$5,920 in Pell grants, and more than \$17,400 in institutional aid. To date, she has taken on \$19,500 in student loans and will likely need to take an additional \$5,500 this year to complete her education. If she were allowed to participate in the Enhanced Tuition Award program, it would reduce her student loan debt significantly.

- **Karla, a sophomore at Monroe College**

Karla emigrated from Brazil to the United States. As a teenager, she only spoke Portuguese and not a word of English -- it was one of the most difficult challenges that she has faced. Karla pushed herself to the limit and learned how to speak and write English fluently. With the support of her husband, who earned a bachelor's degree in criminal justice and is currently working in law enforcement, Karla realized that she, too, needed to enter the higher education arena.

Karla chose Monroe College because she was impressed with its Criminal Justice curriculum and the College's Simulation Center. To date, she has earned a 3.25 GPA, and is on track to graduate on-time in winter 2019. Due to her family income, Karla receives no Pell or TAP assistance, but does receive some financial assistance from Monroe College. If Karla were eligible to participate in the Enhanced Tuition Award program, it would reduce her student loan debt significantly.

Alternative Proposals for Consideration

APC members greatly appreciate the continued support from the Legislature for students attending their institutions, as well as the Legislature's commitment to providing access to higher education for all students, especially those who are under-represented, minority students, or the first in their family to attend college. For over forty years, the Legislature has championed TAP and additional support for higher education opportunity programs.

Thousands of our alumni have benefitted from these programs and at a time when the State is facing difficult budget choices, we truly appreciate that no cuts to the funding level or structure of the Tuition Assistance Program (TAP) were recommended this year.

TAP has served as the cornerstone of New York State's financial aid program, providing financial support to ensure students complete their degrees in a timely manner. **In the 2016-2017 academic year, approximately 73% of APC students received a federal Pell grant, and over 15,000 full-time equivalents received a TAP award¹.**

However, as the cost of higher education continues to increase and employers in more industries require college degrees, more students from low- and middle-income families could benefit from the assistance offered through the TAP program if it were expanded.

Consider the following recommendations:

- **Increase the minimum TAP award from \$500 to \$1,000 and/or the maximum TAP award from \$5,165 to \$6,500 annually.** In 2014, the State showed its support for low-income students attending higher education programs by increasing the maximum TAP award from \$5,000 to \$5,165. This increase was appreciated and well-received, and additional adjustments to the minimum and maximum TAP awards would continue to make a tremendous difference to many lower income students and their families.
- **Increase the maximum income threshold to receive a TAP award from \$80,000 to \$100,000 annually.** Expanding the maximum income threshold for TAP recipients to \$100,000 would open the door to a college degree for many students from middle class families. **The maximum income threshold has not been adjusted in over 17 years** when it was last raised in 2000 from \$50,500 to \$80,000. Certainly, the cost of living and obtaining a college degree has increased significantly since 2000 and the maximum income threshold for TAP recipients should be adjusted accordingly.
- **Restore Maximum TAP Awards for Two-Year Degree Programs.** In 2010, TAP was reduced for students enrolled in two-year degree-granting programs from \$5,000 to \$4,000 (20%). The reduction was not limited to only maximum awards -- all awards were reduced by 20%.

¹ New York State Higher Education Services Corporation Annual Report 2016-2017: <https://www.hesc.ny.gov/hesc-news.html>.

Students enrolled in colleges that offer four-year programs were not impacted by the reductions, meaning students enrolled in SUNY or CUNY community colleges continue to receive maximum TAP of \$5,165. Likewise, students enrolled in independent or proprietary colleges that offer both two- and four-year programs were not impacted. The result of these changes have been that many students -- the majority of whom are enrolled in an APC member college offering only two-year degree programs -- are unfairly treated differently based solely upon the type of institution they enter. These students include those attending long-standing institutions such as Elmira Business Institute and Island Drafting and Technical Institute.

- **Reinstate Graduate TAP.** The elimination of Graduate TAP in 2010 has had a significant impact on students and is something the State should reconsider. Over the last four years, APC member colleges have invested in master's-level programs that are in high demand by New York State employers, such as the M.P.H. (Master of Public Health) program at Monroe College; the M.P.S. (Master of Professional Studies) in Fashion Merchandising and Retail Management program at LIM College; and the M.B.A. (Master of Business Administration) program at LIM College, with concentrations in Fashion Management and Entrepreneurship.

In Conclusion

New York State has a long-standing history of working together with all four of its sectors of higher education (SUNY, CUNY, independent non-profit, and proprietary) with the common goal of benefitting all New Yorkers. This commitment to equality and parity across all sectors has created a robust and diverse education system that has resulted in innovative and novel ideas, a consistent pipeline of employees for local businesses, and has had a strong, positive economic impact across the state.

APC member colleges are committed to providing programs that are in demand and that meet the needs of employers and growing industries. We respectfully ask that you consider supporting ALL New York students who are working to advance their education. Continued investments in the TAP and ETA programs will help support students that APC member colleges are training for the jobs of today and tomorrow and who will be vital to our State's economy moving forward.

Again, we thank you for your continued support of our students. On behalf of our member colleges and our students, thank you for your time and consideration of our proposal.

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APC Member Colleges:

