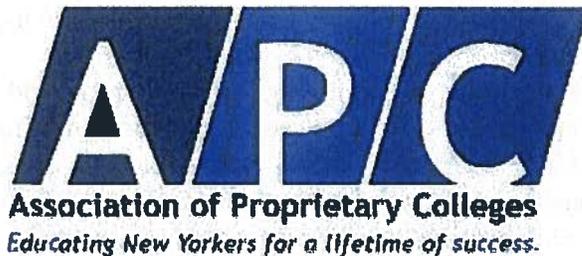

TESTIMONY OF THE ASSOCIATION OF PROPRIETARY COLLEGES
FOR THE JOINT LEGISLATIVE PUBLIC HEARING
ON THE EXECUTIVE BUDGET PROPOSAL FOR
SFY 2014 - 2015



Testimony Provided by the Association of Proprietary Colleges (APC)

Senator DeFrancisco, Assemblyman Farrell, members of the Legislature, thank you for giving the Association of Proprietary Colleges (APC) the opportunity to present testimony regarding this year's budget. My name is Donna Gurnett and I am the Executive Director of APC and it is my honor to be here today.

The Association of Proprietary Colleges (APC) represents 25 fully accredited, degree granting colleges operating on 40 college campuses in New York State offering associate, bachelor's, master's and doctoral programs. Our colleges are located across the state from Buffalo, to Long Island, Jamestown to Rochester, Syracuse, Utica, Albany and the entire metropolitan area. There are over 50,000 students enrolled in proprietary colleges throughout New York State and APC member colleges serve over 45,000 of these students.

APC colleges provide a quality education to New York residents. The majority of students attending APC colleges are from New York and over 90% of those students stay in New York after graduation to live and work. Our colleges also employ over 6,500 people and are strong economic drivers in their local communities. We recently surveyed our colleges and they reported that they paid \$235 million in payroll, over \$5 million in property taxes and have invested over \$135 million in capital investments over the last five years. During the most recent academic year, our colleges provided over \$123 million in grants and scholarships. This shows a true commitment from our colleges to ensure access and make college affordable.

Each year, APC testifies on behalf of the entire membership. This year we thought it would be beneficial to provide an overview of the association and to highlight a few success stories from our member colleges.

APC

The mission of APC is simple: Proprietary colleges exist to provide students who need or desire a focused entry point into the work force a clear path to that goal. In a demand driven economy, where employers crave job applicants trained for specific employment functions, students choose colleges that can meet those needs. Our colleges exist to educate students for the jobs that are available today and will be tomorrow. In order to fulfill this mission we as colleges are committed to providing students a quality education with the necessary support and assistance needed as they navigate their way towards obtaining a degree and finding a career.

The economic decline felt throughout the past few years has had a profound impact on New York State as well as many of our students. We are seeing students enrolling in college who have lost their jobs and are seeking to gain new skills – this is true across all of our programs – associate, baccalaureate and masters. Students entering college directly from high school realize a diploma is no longer enough and that they need a degree that will provide them with basic knowledge but also critical thinking and everyday skills. Many of these students enter college unprepared for its rigor and need remediation and enrichment to be successful. APC colleges

provide the support necessary to ensure students returning to college for advance training or first-time entrants will be successful in obtaining a degree and a good job.

We applaud the Governor for recognizing Higher Education is a vehicle for economic recovery and an opportunity for New York to grow. We believe the Governor is correct in that New York has leading research universities that are conducting cutting edge research and have the potential to bring new industry and economic growth to the state. However, there has not been a lot of conversation regarding whether New York has a trained workforce ready and able for these new industries. APC believes now is the time to partner with the state to make an investment in New York’s future by ensuring students have opportunities and access to higher education, receive the training and skills needed to guarantee we have a highly skilled, well trained workforce that can meet the demands of the 21st Century. APC is ready to help New York train our high school graduates to become successful college graduates and productive citizens.

Following is a breakdown by region of APC member colleges’ students and employees:

Region of Origin	Number of APC Students	Number of APC Employees
NYC	22,064	3,062
Westchester/Hudson Valley	3,801	989
Long Island	3,494	1,017
Buffalo	3,107	197
Rochester/Finger Lakes	2,660	173
Syracuse/Central NY	2,213	261
Albany	1,570	107
Southern Tier	888	109
North Country	109	10

Member Colleges

APC member colleges are alike in many ways but also very diverse. Most of the colleges are family owned - currently being operated by the third or fourth generation within a family. Many of the colleges have been in existence prior to the creation of SUNY.

We've been Doing It Right For Years!



The Art Institute of New York City - Est. 1980
Berkeley College - Est. 1931
Briarcliffe College - Est. 1966
Bryant & Stratton College - Est. 1854
Business Informatics Center - Est. 1983
The College of Westchester - Est. 1915
DeVry College of New York - Est. 1931
Elmira Business Institute - Est. 1858
Everest Institute - Est. 1863
Five Towns College - Est. 1972
Island Drafting & Technical Institute - Est. 1957
ITT Technical Institute - Est. 1969
Jamestown Business College - Est. 1886
LIM College - Est. 1939
Mandl School - Est. 1924
Monroe College - Est. 1933
New York Career Institute - Est. 1941
Pacific College of Oriental Medicine - Est. 1986
Plaza College - Est. 1916
Saint Paul's School of Nursing - Est. 2009
School of Visual Arts - Est. 1947
Simmons Institute of Funeral Service, Inc. - Est. 1900
The Swedish Institute - Est. 1916
USC - The Business College - Est. 1896
Wood Tobe-Coburn - Est. 1879

They educate the students in the area where they are located. The colleges are aware of the jobs and industries available in their communities and make sure the degrees offered lead to employment. Over the last decade our colleges have grown, not in the overall number of

students enrolled but in the degree and programs offered. More than half of the colleges offer bachelor's degrees and a handful now offer masters and doctoral degrees.

Bryant & Stratton was founded in 1854. The College has seven campuses across Upstate New York (Buffalo, Rochester, Syracuse and Albany); educates approximately 10,000 students a year and employs over 600 people. Bryant & Stratton offers 25 bachelors and associate degree programs primarily in the fields of business, health and medical, criminal justice, information technology and human resources. Programs are offered in traditional classroom settings, as well as flexible on-line courses. In 2011-2012, Bryant & Stratton placed 89% of their graduates in their field of study within 12 months of graduation. We believe this success is driven by the fact that all Bryant & Stratton students must complete credit bearing internships. On average, 30% of internships lead to full-time employment.

The **College of Westchester** will celebrate its 100th anniversary of educational excellence in 2015. CW is a privately owned institution in White Plains, Westchester County NY where they currently enroll more than 1500 students and employ over 200 people. CW's curriculum includes campus based and fully online programs in business and healthcare administration, digital media and technology, awarding associate and baccalaureate degrees. In 2011-2012, the College of Westchester placed 91% of their graduates in their field of study within 12 months of graduation.

- In an effort to make college more affordable, all incoming students who test into non-credit Basics of Math are provided with, and are actively encouraged to participate in, a cost-free CW Summer Bridge program to help improve their math skills and retest into a higher-level, credit bearing math class. 122 students took advantage of this during the 2013 summer with 117 successfully being placed in a higher level, credit-bearing course.

LIM College was founded in 1939, and is the only college in the U.S. exclusively devoted to the study of business and fashion. The college provides a well-rounded education through a combination of high quality instruction in the traditional classroom setting and hands on experience in the business of fashion via required internship programs in mid-town Manhattan. A strong liberal arts program provides students with a solid foundation in critical thinking and problem solving skills. LIM College currently enrolls over 700 students and employs more than 250 people.

- This fall, for the 9th consecutive year, LIM College was named one of the "Best Colleges in the Northeast" by the Princeton Review.
- Recently, LIM College received approval from the New York State Board of Regents to launch a Bachelor of Science degree program in International Studies. The first group of students admitted to this program will begin in the Fall of 2014. This program is designed to prepare students for careers in international business and participation in the global marketplace, with a particular emphasis on the fashion industry. Students will have the opportunity to participate in an international experience, with options including: study abroad, cross-cultural trips, or internships with international organizations.

Monroe College has campuses in New Rochelle and the Bronx and was founded in 1933 with a single goal: to educate men and woman for success. Since its founding Monroe has emphasized real world education as a key element of a student's academic journey. Monroe currently enrolls over 9,000 students and employs more than 1,000 people. Over 40% of new students are referred by current or former Monroe College students. Most importantly, Monroe is a pioneer in educating minority and lower income urban students and take great pride in its student outcomes.

Evidence of Monroe's success with minority and economically disadvantaged students includes:

- Monroe is ranked #3 in NYS for the number graduating African American and Latino students with Bachelor degrees.
- Monroe's graduation rate is in the top 5% of all degree granting institutions in the United States whose student body is comprised of a majority of Pell grant recipients.
- A student attending Monroe is four times more likely to graduate than a student attending a CUNY community college.

Monroe's student population is reflective of the communities they serve and an example of how they have been responsive to the needs of the state.

SFY 2014-2015 Budget Proposals

This year we are thrilled the Governor kept his commitment to Higher Education and proposed no reductions to the Tuition Assistance Program. Furthermore, the Governor maintained primary support for the other sectors of higher education – SUNY, CUNY and CICU. All sectors of higher education in New York State are critical to our future. Continued investment in higher education is essential for New York to rebuild the economy.

Your continued support of the Tuition Assistance Program (TAP) is appreciated and provides opportunity to students across the state. Many of the students attending an APC college do not have family or others they can turn to for help and they rely on this assistance. Students are faced with the reality of having to decide whether to drop out or take out additional loans (if they could qualify) to realize their hopes of receiving a degree. Our colleges assist these students by providing grants and scholarships so students can continue their studies or help them navigate the financial aid process.

Restore Maximum TAP Awards for Two-Year Degree Programs

Four years ago, TAP was reduced for students enrolled in two year degree granting programs from \$5000 to \$4000 (20%). The reduction was not limited to only maximum awards. All awards were reduced by 20%. Students enrolled in colleges that also offer four year programs were not impacted by the reductions. This means students enrolled in SUNY or CUNY community colleges are able to receive maximum TAP of \$5000. Students enrolled in independent or our proprietary colleges that offer two and four year programs are not impacted.

The result of this proposal is that students, the majority of whom are enrolled in an APC College that only offers two year degree programs, are treated differently based solely upon the type of institution they enter. These colleges are located in New York City, Long Island, Elmira, Utica, Albany, Syracuse, Rochester, and Buffalo.

While we understand the state's fiscal situation, we still believe it is bad policy to reduce TAP for students in two year degree programs. Many students entering higher education for the first time enter a two year program. APC Colleges have excellent outcomes for Associate degree programs – 55.4% higher than the statewide average. Many of the programs offered by our two year colleges are an important pipeline of employees for local businesses.

Reducing TAP for the neediest of students entering college in a two year degree program is essentially cutting the exact students the program was established to help and closing off access and opportunity. Many students, especially low-income and minority students, who may be the first in their family to attend college, see associate degree programs as an entry into higher education. These are the exact programs that offer students the skills needed to be well trained employees. We urge you to reconsider this proposal. Low income students should be treated the same and it should not matter whether they attend a two or four year program.

Alternative Proposal For Consideration

There are alternative means to reduce the cost of TAP. For instance: Treating all students who lose TAP eligibility equally. Currently, a student who drops out during a semester or who loses TAP eligibility due to a low GPA or an insufficient number of credits earned cannot enroll at the same institution and be eligible for TAP the next semester. However, there is nothing in law or regulation that prohibits that same student from enrolling in another college and receiving TAP the following semester. We propose that all students who lose TAP eligibility due to poor performance should be prohibited from using TAP for a year.

The state should be concerned about its investment and whether students are working towards their goal of obtaining a degree. This is something our colleges take very seriously.

Invest In Staff Within the Office of Higher Education

We believe New York's higher education regulatory structure for degree granting institutions is a model for the country. Many of the abuses, including explosive growth of the for-profit sector, that have been highlighted at the national level, do not occur in New York. Why you may ask? The answer is colleges cannot offer new degrees or add new programs of study without the approval of the State Education Department. In order to offer a new degree or a program, a college must file a proposal, which is thoroughly reviewed by SED staff, a site visit is conducted, other colleges that might be affected, if the proposal is approved, are canvassed and the ultimate decision regarding approval is granted by the Board of Regents. In addition, the Board of Regents can rescind authorization to offer degrees or programs, if the Department finds the college is not in compliance with the regulations. New York is one of the very few states that regulate its higher education system this way. The process is labor intensive but extremely

important to ensure the regulations are enforced and New York continues to require all institutions of higher education to offer a quality education.

In addition, recent reductions in staff within the Office of Higher Education have lengthened the time it takes for colleges and universities in New York to have new programs approved. Many programs, across all sectors, are the result of a need in the local community. While we agree only those programs that meet the standards should be approved, many programs are deemed more than qualified by the Department but they do not have the staff to undertake the review and necessary steps to get the item before the Board of Regents. The result is program approvals linger, colleges are not able to enroll students in programs that local employers need and want. This prevents students from getting the jobs they need and further hinders economic development.

In Conclusion:

We believe New York State has a higher education system to be proud of and one that should be an example for the country. President Obama is focused on improving higher education – while educational outcomes can and should always be improved – New York has a terrific foundation. Continued investment into key areas will ensure our educational system remains strong, produces well educated graduates, that are trained for the jobs of today and tomorrow and who will be vital to our economy moving forward.

APC colleges are providing a quality education and graduating students, which, in turn provides New York with the highly skilled and well trained workforce needed to revitalize the economy.

Again, we thank you for your continued support of our students. Your investment in them has helped New York be a world leader and your continued support will continue to help New York emerge from these tough economic times. We know there will be many tough decisions to make and ask that you treat students fairly, help students who are trying to turn their lives around succeed and make the same commitment to our future workforce as we are making to our students right now!

On behalf of our member colleges and our students, thank you for your consideration of our proposals.

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