



*The Commission on*  
**INDEPENDENT**  
*Colleges & Universities*  
*in New York*

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Office of the President

## **Testimony**

**Mary Beth Labate, President**  
**Commission on Independent Colleges and Universities (CICU)**

**The Value of Independent Higher Education in New York State**  
**Tuesday, January 24, 2017**

**Joint Legislative Public Hearing**  
**New York State Senate Committees on Finance and Higher Education**  
**New York State Assembly Committees on Ways & Means and Higher Education**

**Hamilton Hearing Room B, 2nd Floor**  
**Legislative Office Building**

**Albany, New York**

### **Introduction**

Good afternoon, and thank you Chairpersons Young, Farrell, LaValle and Glick and members of the Senate Finance and Assembly Ways and Means Committees. I am Mary Beth Labate, and I am honored to be here today and to have begun serving as the eighth president of the Commission on Independent Colleges and Universities (CICU) at the start of this month.

As you may know, CICU represents more than 100 private, not-for-profit or "independent" colleges and universities located throughout in New York State. Together, Independent Sector campuses educate nearly 500,000 students, of which approximately 300,000 are New York State residents. Our independent colleges and universities are important employers, responsible for more than 400,000 jobs statewide.

I applaud the effort to make higher education more affordable. It is what our colleges focus on each and every day. Still, I am deeply concerned about the overall direction that the Executive Budget has taken in this regard. Any program that limits opportunities for the 300,000 New Yorkers for whom a private college or university offers the best academic, social and career fit is incomplete. What's more, it could have devastating and I assume unintended consequences for private colleges that have long been the pillars of their communities. New York will hurt the very students that it

seeks to help if it embraces any initiative that would deny low-income students Tuition Assistance Program (TAP) awards or the institutional student aid that is funded with Direct "Bundy" Aid if they choose a private college that increases tuition beyond a government imposed standard. Students don't deserve this, and communities cannot afford it.

### **In Service to New Yorkers**

Many of you have one or more private, not-for-profit colleges or universities in your district, and you know them well. Others may be less familiar with the direct and indirect benefits of independent higher education. So I want to take this opportunity to share a few facts.

Let me begin with our students. We educate almost 500,000 students a year, the majority of whom hail from New York State, with the remainder coming from every state in the nation and across the world. We attract talent to our state through the quality and reputation of our schools. Our students are new high school graduates and adult learners. They attend on campus and online. They pursue associate, bachelor's, master's and doctoral degrees. They are diverse in every sense of the word. More than 80,500 of our students qualify for TAP because their families make less than \$80,000. In fact, nearly three-quarters of those students have family incomes below \$40,000. Ninety percent of students attending private, not-for-profit colleges receive financial aid, meaning that very few students pay what is commonly referred to as "sticker price."

Each year, we confer nearly 80,000 degrees at the undergraduate level and more than 60,000 graduate degrees. And each year, more black and Hispanic students earn bachelor's and graduate degrees from our campuses than anywhere else in the state. We also lead in degree completion.

This month, across the state, our classrooms, campuses and communities have roared back to life, with students returning or beginning anew. Meanwhile, high school seniors are finishing their applications for this coming fall, and countless adults are planning how they may complete or continue higher education. The conversations we are having today will have a profound effect on the choices these New Yorkers, your constituents, have.

The trustees of our private, not-for-profit colleges and universities set tuition annually to permit their institutions to enroll qualified and talented students from diverse socioeconomic backgrounds. Those with means pay closer to "sticker" price so those with financial need can receive essential support.

Colleges put together financial aid packages that will likely contain a combination of institutional aid, federal and state grants and scholarships, work-study opportunities, and student and parent loans, as well as a family's calculated expected contribution toward the student's educational costs. Every college's package will be different because there are differences in each college's cost of attendance, in institutional resources and in each family's circumstances. Families earning less than \$40,000 would typically be asked to contribute only a small amount if anything.

Financial aid packages for students from these families will include federal, state and institutional grants, scholarships, and perhaps student loans.

The story of New York's long-standing public-private partnership in higher education needs to be told, understood and re-told. The State of New York once relied nearly exclusively on private, not-for-profit colleges and universities to educate its students. That changed in the middle of the last century with the emergence of the State University of New York (SUNY) and City University of New York (CUNY) systems. Just as students benefit from the limitless opportunities for learning in a wide variety of settings, taxpayers benefit, too. Currently, the state provides approximately \$8,830 for each student in the SUNY or CUNY system compared to approximately \$650 for students in private, not-for-profit colleges. With so many New Yorkers educated in private colleges using private resources, New York State devotes less to higher education as a percentage of its overall budget than all but seven states. It is a public-private partnership at its best.

### **In Service to Communities**

Private college and universities are economic anchors in their communities. We provide 406,300 direct and indirect/induced jobs, and our employees pay more than \$2 billion in state taxes. Eight private, not-for-profit colleges and universities are among the top 10 employers in their respective regions, according to an analysis of the state's leading private sector employers by the New York State Department of Labor: Columbia University, Cornell University, Hofstra University, Ithaca College, Rochester Institute of Technology, St. Lawrence University, Syracuse University, and University of Rochester. All told, our private colleges and universities generate \$79.6 billion in economic impact. We keep students from leaving the State to be educated and we attract students and investments from around the world to areas that might otherwise experience further population declines.

Nearly 90 CICU member campuses enroll fewer than 2,000 students. The proposals in the SFY 2018 Executive Budget threaten these and other private, not-for-profit campuses. With carefully calibrated enrollments and artfully crafted freshmen classes, our private colleges and universities work hard to ensure that all students who are qualified for admission can afford to attend, regardless of their economic circumstances. The Executive Budget threatens that tradition. The Excelsior Scholarship would provide free tuition at our public institutions while offering no additional aid to students who would otherwise thrive at a private college. The Executive Budget would also deny TAP or Bundy Aid to students attending private colleges that raise tuition beyond the limits imposed by government. This will erode the state's system of private higher education – a system that has, for more than a century, brought economic mobility to its students and stability to its communities.

### **Unintended Consequences**

Who loses from proposals that hurt our private, not-for-profit colleges and universities and threaten the public-private ecosystem that is higher education in this state?

First, students lose.

The New York State Legislature has a stellar tradition of supporting students in all sectors of higher education. We thank you for that. We also thank you for your deep commitment to state aid programs, such as TAP that treat all students equitably. With your support, we have built a higher education ecosystem and a social contract with college aspirants unlike anywhere in the world.

This social contract between New York State and its citizens starts with K-12 education. We celebrate your support of record funding for this area.

Picking up the baton after K-12, the colleges and universities in the Independent Sector work to ensure that all New Yorkers can choose and access the college or university that is the *best* fit for them. These institutions work hard to help their students complete their degrees.

Our schools have long ensured that our commitment to this social contract—making social and economic mobility a realistic goal for all New Yorkers—is at the core of our mission. Government-run and not-for-profit independent colleges and universities both serve important missions. We make each other better in doing so. Student choice leads the way. That's true “accountability.”

As you have recognized with TAP, we strongly believe that any effort to supplement existing state financial aid must treat all New Yorkers the same, regardless of whether they want to attend one of our 100+ private colleges or a SUNY or CUNY campus. That equitable treatment has been the longstanding policy of the state. In fairness to nearly 300,000 New Yorkers who chose to attend an independent college or university as the best opportunity for academic and career success, this policy should not be abandoned.

All New York students who fit the same financial profile should have access to the same amount of state-funded scholarship aid. Colleges and universities should not be penalized for their progressive commitment to ensuring that all who are qualified for admission have the opportunity to enroll and attend their *best fit* college.

Let me introduce Sarah Tuzzolo, from whom you will hear in a moment. Sarah is a first-year student and TAP recipient at Russell Sage College, the women's college at The Sage Colleges located just across the river in Troy. Sarah's older sister attends The College of Saint Rose, and her brother is in high school. Sarah is pursuing health sciences at Russell Sage, where she plans to earn a degree in occupational therapy. I know she chose Sage for its small class sizes and supportive environment dedicated to student success. Sarah is an Albany High School graduate and former commander of her Junior ROTC battalion who wanted to remain close to home as her mother battles a serious illness. She tells me that already she has had opportunity to join student government, participate in many traditions, and make friendships that will last a lifetime. As a participant in the Arthur O. Eve Higher Education Opportunity Program (HEOP) at Russell Sage, Sarah receives the maximum TAP grant of \$5,165 plus more than \$39,000 in additional grants and scholarships.

Cody Ingraham is another of thousands of New York students who chose a private college to pursue his dreams. Currently a junior at Siena College and originally from Guilderland, Cody is a double major in history and political science, with minors in broadcast journalism, German, and a certificate in pre-law. A maximum TAP award, \$6,800 in federal grants, \$12,500 in a privately funded scholarship and Siena College scholarships totaling \$28,000 are helping Cody meet his college expenses. Cody's family of four has limited means and according to a federal formula is not expected to contribute to his education. He has a federal loan of \$2,275 and \$600 in federal college work-study.

Government did not turn its back on Sarah or Cody or attempt to sway them into a college that might not fit their needs. Instead, you said to them: "We want to be a partner. We want to partner with your family and your college to make sure you have the resources to choose the college that best fits your ambitions." The proposed Excelsior Scholarship would limit opportunities for the thousands of New York students like Sarah and Cody who each year choose a private school – because the Excelsior Scholarship would be available only to students who choose a SUNY or CUNY school. This proposal threatens the very colleges and universities that work so hard to make it possible for students like those before you to send their children to the college of their choice.

Who else loses when we weaken our private colleges and universities?

Communities lose.

Dozens of neighborhoods, villages, towns and cities benefit from the vibrancy that comes from hosting a private, not-for-profit college or university. Our colleges and universities are critical economic engines. They stabilize communities across the state that are suffering economically and losing population. Earlier in my testimony, I shared statistics on what our schools contribute to the economy. For many of you with our colleges in your district, you witness firsthand the economic, cultural, and social benefits that a private college brings to a community. Private higher education is one of the state's oldest and most enduring industries, and it cannot be taken for granted or trifled with. Like other major industries, it must be nourished, not attacked.

Taxpayers also would suffer harm from this proposal.

Taxpayers provide \$6 billion in aid to SUNY and CUNY – a subsidy that is appropriate given their status as public institutions. This translates into \$8,830 per student, a cost that will grow with "free" tuition. Moreover, one can reasonably expect pressure on taxpayers to provide additional operating and capital dollars well beyond tuition to both systems as more students elect SUNY and CUNY. These added costs are not factored into the Executive's proposal.

That same student could be educated at a private college or university at a cost of \$650 to the taxpayer. Why? Because our schools are heavily invested in student success.

While the maximum TAP award of \$5,165 has only increased once in the last decade, private, not-for-profit colleges and universities have tripled the amount of aid from their *own* resources since 2000-01. We now provide \$5.1B in financial aid. The message is clear: private, not-for-profit colleges and universities are engaged and marshaling their resources to reinvest in student financial aid. The state's willingness to help is a critically important part of the successful formula that has created a balance between public and private higher education that has served students and taxpayers well. The state helps through TAP, to provide scholarship funding to all similarly situated students, regardless of their college choice, and through its support of Bundy Aid, which is used to provide scholarships to families of modest means.

The Excelsior Scholarship program will tip that balance. Many of our schools will not be able to compete or will be forced to compromise their educational value to do so. Some might ask if we can compete better by reducing tuition? Some of our schools can reduce tuition and have done so. But for many others, a tuition reduction would hit the very students they strive to help: those of modest means who benefit from very deep tuition discounts. On average, comparable campuses spend about the same on student instruction. What does differ is who pays. Lacking the sizable taxpayer subsidy afforded the public institutions, our colleges must set tuition rates at levels well above SUNY and CUNY. Without going into the sophisticated modeling involved in such deliberations, a key consideration is how tuition could be used to generate subsidies for those not able to afford the cost of college on their own.

The Executive Budget's Excelsior Scholarship proposal, along with its proposed elimination of TAP and Bundy for students who attend private colleges and universities that increase tuition beyond certain levels, means that our successful public/private partnership could be destroyed along with the schools, jobs and communities that this partnership has built.

In fairness to our students, communities and taxpayers that rely on our colleges, CICU—on behalf of almost 300,000 New York State students—urges you to expand the availability of tuition assistance for *all* students whose families earn \$125,000 or less. An expansion of the maximum TAP award to \$6,500 and an increase in eligible family income to \$125,000 would increase the number of students already receiving free tuition at SUNY and CUNY while giving students the choice of which college—public or private—works best for them.

### **SFY 2017-18 Legislative Priorities**

To New York's residents, higher education means greater earning potential, lower rates of unemployment, and better overall quality of life. Independent Sector colleges and universities are committed to increasing access, providing assistance, and ensuring degree completion for all students. To see further investment in students, the Independent Sector is identifying the following legislative priorities.

#### *Tuition Assistance Program (TAP)*

As the crown jewel of New York State's vast array of student aid programs, more than five million New Yorkers have used TAP to meet their college expenses

since its creation more than 45 years ago. As we look to ensure that student aid remains strong and can continue to serve its purpose we propose that the TAP maximum award, last increased in 2014 by \$165, should be increased to \$6,500; the minimum award should be increased from \$500 to \$1,000; and the income eligibility threshold should be increased from \$80,000 to \$125,000.

#### *Reimagine Grad TAP*

By 2022, six of the ten fastest growing major occupational groups will require some form of post-secondary education. With job growth and the labor market forecast indicating that advanced degrees will lead to the greatest opportunities for workers, we view reimagining graduate tuition assistance—which was eliminated in 2010-11 and thereafter—as an important conversation. Let us help young professionals or adults looking to change career paths to prepare for occupations such as accounting, teaching, physical therapy, etc., by offering some form of graduate tuition assistance.

#### *Opportunity programs*

Opportunity programs have a proven, measurable effect on the number of economically and educationally disadvantaged, as well as first-generation, students who attend and complete college. The Independent Sector is deeply grateful for the state's investment in student opportunity programs including the Arthur O. Eve Higher Education Opportunity Program (HEOP), the College Science and Technology Entry Program (C-STEP) and its high school counterpart (STEP), and the Liberty Partnerships Program (LPP). We are especially thankful for the 20 percent funding increase for each program in last year's adopted budget. We must restore the funding cuts proposed in the Executive Budget and we call for another 20 percent increase in this year's Enacted State Budget and increased flexibility in administration of the program to ensure the best results for our students.

#### *Science, Technology, Engineering and Mathematics (STEM) Incentive Program*

The future of New York State's growth and prosperity and its position in the global marketplace rests in its students. The state is projected to have nearly a half-million STEM jobs by 2018, the third highest in the country. The Independent Sector can help meet that need. In 2014-15, the Independent Sector awarded 56 percent of the bachelor's degrees earned in STEM fields in New York State. New York should tap into the built-in strength of all sectors of higher education by expanding the STEM Incentive Program so talented students can take their scholarship dollars to any college or university in New York State.

#### *Strengthen and leverage college and university research partnerships*

The rise of a global knowledge economy and the size and diversity of New York's higher education sector means that college and university research partnerships are critically important. New York has long invested in these partnerships through funding for the Regional Economic Development Councils, the Centers for Advanced Technology, Centers of Excellence, Innovation Venture Capital Fund and the Stem Cell Innovation Fund. Growing these strategic partnerships, coupled with new

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funding for the now de-funded Faculty Development Program and Technology Transfer Incentive Program, will ensure New York State's place as one of the leading destinations for faculty, researchers and students leading to fostering of new ideas, creating new cutting edge technology, spur business development and improve our lives.

### **Concluding Thoughts**

In closing, my own story is like so many New Yorkers. I was a first generation college student. Neither of my parents finished high school. With significant financial aid, I was able to attend the University of Notre Dame. I then returned home to New York, eventually earning my graduate degree from the Rockefeller College of Public Affairs and Policy at SUNY Albany. The combination and availability of private and public systems of higher education had enduring benefits for me, as I know it did for many of you, and I look forward to working with each of you to ensure that no limits are placed on students for whom private higher education offers the best opportunity to succeed.

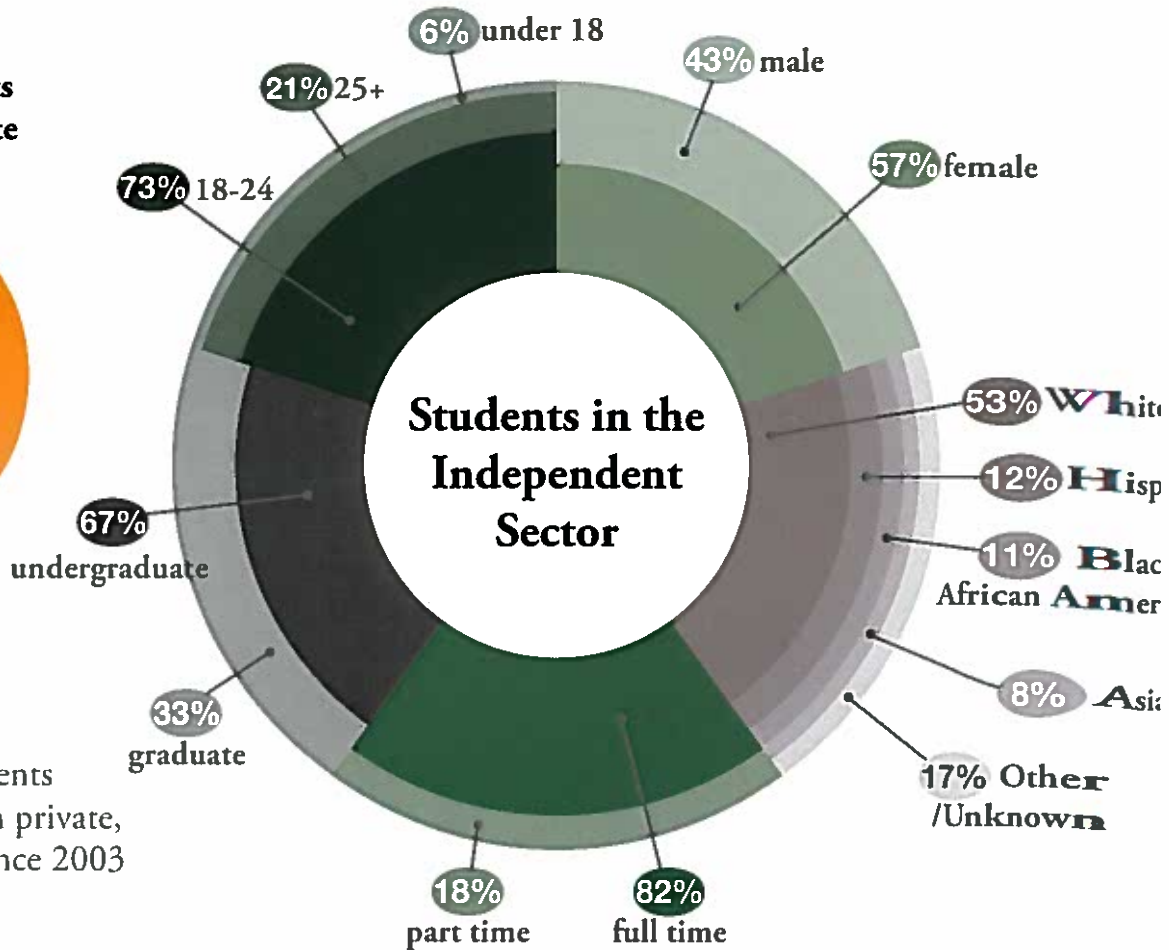
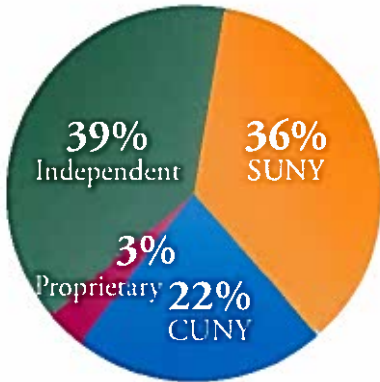




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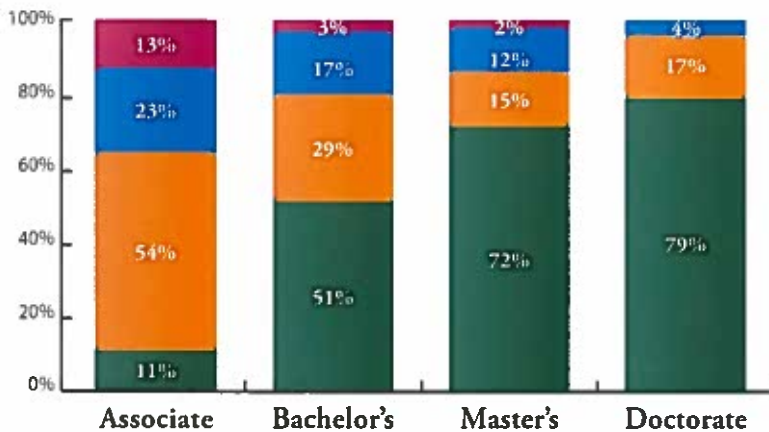
# Developing TALENT

## Where College Students Enroll in New York State

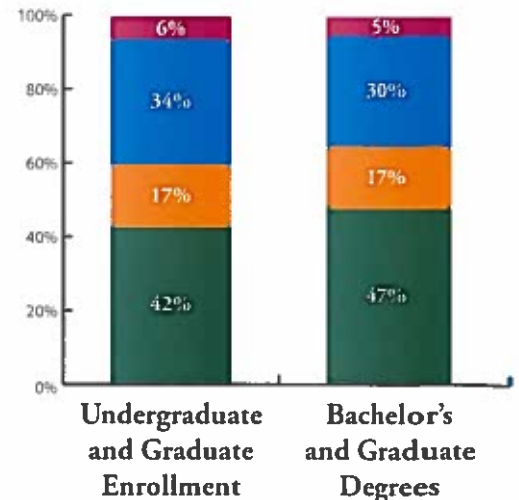


**11%** more students enrolled in private, not-for-profit colleges since 2003

## Where Degrees are Earned in New York State



## Black and Hispanic Student Enrollment and Degrees Earned



Proprietary CUNY SUNY Independent

Sources available upon request; Please contact [info@cicu.org](mailto:info@cicu.org)





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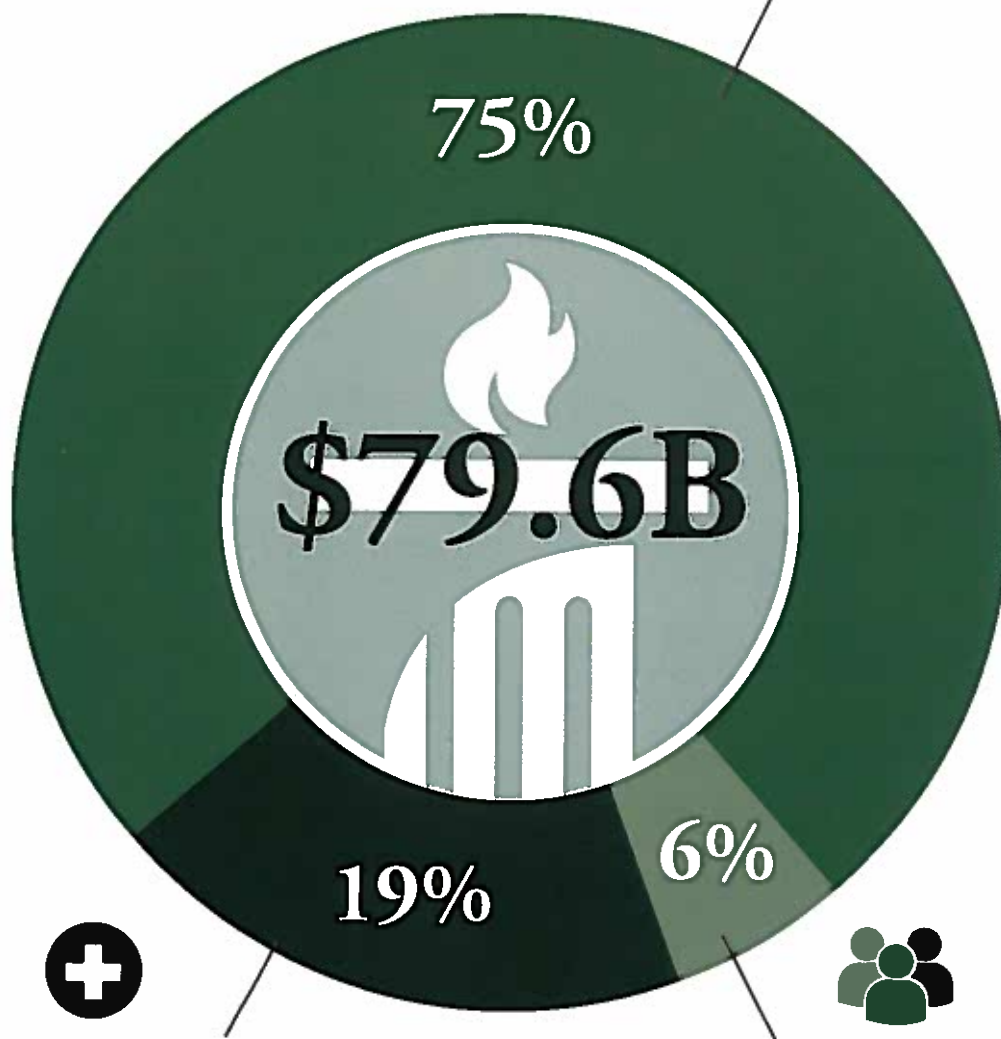
# Driving ECONOMIC IMPACT

Independent Sector colleges and universities continue to be a strong economic force in New York State, contributing \$79.6 billion to New York's economy in 2015.



## Institutional Impact

Research, construction, instruction, salaries, and spillover spending



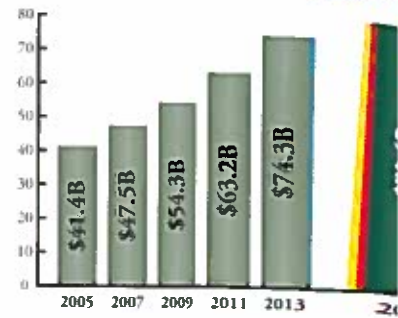
## Academic Medical Centers

Patient revenue attributable to AMCs, estimated benefits of residents and fellows, and other indirect and induced efforts

## Students & Visitors

Discretionary spending by students at local restaurants, retail outlets, etc., and money spent by campus visitors at sporting events, conferences, parents' weekends, etc.

## Continued Strength



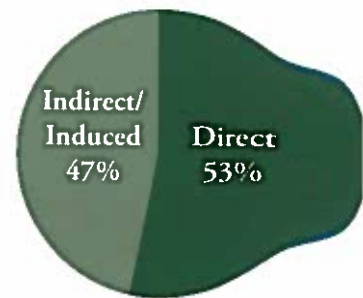
Generating 400,000  
Direct and Indirect Jobs

**179,700**  
institutional

**210,000**  
indirect/induced

**16,600**  
construction

Payroll Impact =  
**\$28.1 Billion**



Taxes Paid by Private Company  
Employees Exceed \$2 Billion



Sources available upon request; Please contact [info@cicu.org](mailto:info@cicu.org)

