

Testimony

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**Independent Higher Education and New York State: A Thriving Public-Private Partnership
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New York State Assembly Committee on Ways & Means**

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Legislative Office Building**

Albany, New York

Members of the Commission on Independent Colleges and Universities

- Adelphi University
- Albany College of Pharmacy and Health Sciences
- Albany Law School
- Albany Medical College
- Alfred University
- American Academy McAllister Institute
- American Museum of Natural History, Richard Gilder Graduate School
- Bank Street College of Education
- Bard College
- Barnard College
- The Belanger School of Nursing
- Boricua College
- Brooklyn Law School
- Canisius College
- Cazenovia College
- Clarkson University
- Cochran School of Nursing
- Cold Spring Harbor Laboratory, Watson School of Biological Sciences
- Colgate University
- College of Mount Saint Vincent
- The College of New Rochelle
- The College of Saint Rose
- Columbia University
- Concordia College
- The Cooper Union
- Cornell University
- The Culinary Institute of America
- Daemen College
- Dominican College
- D'Youville College
- Elmira College
- Excelsior College
- Fei Tian College
- Finger Lakes Health College of Nursing
- Fordham University
- Hamilton College
- Hartwick College
- Helene Fuld College of Nursing
- Hilbert College
- Hobart and William Smith Colleges
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- Iona College
- Ithaca College
- The King's College
- Le Moyne College
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- Manhattan School of Music
- Manhattanville College
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- Marymount Manhattan College
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- Memorial College of Nursing
- Mercy College
- Metropolitan College of New York
- Molloy College
- Montefiore School of Nursing
- Mount Saint Mary College
- Nazareth College
- The New School
- New York Chiropractic College
- New York College of Podiatric Medicine
- New York Institute of Technology
- New York School of Interior Design
- New York University
- Niagara University
- Nyack College
- Pace University
- Paul Smith's College
- Phillips School of Nursing at Mount Sinai Beth Israel
- Pomeroy College of Nursing at Crouse Hospital
- Pratt Institute
- Relay Graduate School of Education
- Rensselaer Polytechnic Institute
- Roberts Wesleyan College
- Rochester Institute of Technology
- The Rockefeller University
- The Sage Colleges
- Samaritan Hospital School of Nursing
- Sarah Lawrence College
- Siena College
- Skidmore College
- St. Bonaventure University
- St. Elizabeth College of Nursing
- St. Francis College
- St. John Fisher College
- St. John's University
- St. Joseph's College, New York
- St. Joseph's College of Nursing at St. Joseph's Health
- St. Lawrence University
- St. Thomas Aquinas College
- Syracuse University
- Teachers College, Columbia University
- Touro College and University System
- Trocaire College
- Union College
- University of Rochester
- Utica College
- Vassar College
- Vaughn College of Aeronautics and Technology
- Villa Maria College
- Wagner College
- Webb Institute
- Wells College
- Yeshiva University

Introduction

Good afternoon and thank you Chairpersons Krueger and Weinstein. I would also like to acknowledge the chairpersons of the Senate and Assembly Higher Education Committees, Senator Stavisky and Assemblymember Glick: thank you for your leadership and continued support for New York's college students.

I am Mary Beth Labate, and I am honored to be here today as president of the Commission on Independent Colleges and Universities (CICU), representing more than 100 private, not-for-profit colleges and universities, and nearly 500,000 students, across New York.

It has been a delight to witness the swift action that both houses have taken to advance important issues that have been thwarted for too long. On behalf of my membership, I commend and thank you for the passion, commitment and results that you have brought to this session so far.

A special thank you for moving so quickly on the DREAM Act and to the Governor for including it in his Executive Budget. Like all New Yorkers, Dreamers deserve access to financial aid to realize their dreams of higher education and we are so glad that their time has come.

I look forward to the continued progress your chambers, working with our Governor, will be able to make toward our shared ideals during this historic Legislative session.

As you may know, Independent Sector campuses are an integral part of New York's economy. Of the half million students we educate annually, approximately 300,000 are New York State residents. Our independent colleges and universities are also important employers, responsible for more than 415,000 jobs statewide and \$88.8 billion in annual economic impact. Those of you with campuses in or near your district know that better than anyone.

Investment in higher education is an investment in New York's future. We are proud to live in a state that invests more than \$7.2 billion a year in its public colleges (SUNY and CUNY). Since 2012, state support for public higher education has grown by \$1.6 billion, allowing our public systems to offer some of the lowest tuition rates in the nation.

It is critical, however, that New York also invest in its Independent Sector of higher education, supporting all of New York's students. Despite the generous increases this year's Executive Budget provides for SUNY and CUNY, many programs that help private college students and campuses suffered cuts. We ask that you consider the modest restorations and enhancements of aid for private colleges that I will propose below. They support the nearly 500,000 students being educated at private colleges in New York each year and the communities across the state that depend on our campuses.

Investment in private colleges also provides tremendous taxpayer value: with just 4.2% of the state's higher education budget, private colleges enroll 39% of the college students in New York and confer 60% of the bachelor and graduate degrees awarded in the state. Our partnership with New York State is an example of a public-private partnership that benefits all parties involved.

Who We Serve

I'd like to begin by sharing with you some details about the students we educate. For some of you on the panel this will be old hat, but for those of you who are new to these committees, you may not be as well acquainted with our institutions and the students they educate.

- New York is home to more private, not-for-profit colleges and universities than any other state in the country. There are more than 100 private colleges located in every corner of the state, from the Bronx to Buffalo.
- Those private colleges educate nearly 500,000 students each year, 300,000 of whom are New Yorkers.
- More American students come to New York for their higher education than any other state in the country. For international students, New York is the second most popular destination state and New York City is the most popular destination city.
- Our students are recent high school graduates, adult learners returning to complete a degree or starting for the first time, military veterans, and everyone in between. They study on campus and online as they pursue associate, bachelor's, master's and doctoral degrees.
- Our students are diverse: more African American and Hispanic students earn bachelor's and graduate degrees at private colleges than anywhere else in New York.
- Our students represent every income level: two-thirds of private college students in New York are from families that earn less than \$125,000 annually.
- Approximately 72,000 of our students qualify for TAP because their families earn less than \$80,000 annually – those 72,000 students represent 43% of the resident undergraduate students from New York that we enroll.
 - Of those 72,000 TAP-qualifying students we enroll, three-quarters are from families that earn less than \$40,000 annually and half are from families that earn less than \$20,000 annually.

What unites all these students from diverse backgrounds is their desire to earn a degree and their freedom to choose the college or university that best meets their needs and goals. Our students have chosen a private, not-for-profit college or university as their best fit. The investment they are making in themselves, often with generous support from our colleges' own resources, will pay dividends.

New York's private colleges confer nearly 50% of the undergraduate, 73% of the master's and 79% of the doctoral degrees awarded in New York each year. Those numbers matter because they indicate results. The investment these students are making in themselves only pays off if they complete their degrees and our students are more likely to complete their degrees, and do so on time, than their counterparts in the public sector.

Public Investment in Private Colleges Does Public Good

A college degree is the embodiment of the audacious belief that today's hard work and sacrifice will pay off tomorrow. New York's private, not-for-profit colleges and universities are in the business of helping our students prepare for a better tomorrow.

For as long as any of us have been New Yorkers, and long before that, our state has believed in, and supported, the missions of her 100+ private, not-for-profit colleges and universities.

Private colleges are an integral part of New York's higher education ecosystem. It is only with the public and private sectors working together that New York can educate 1.2 million students each year. And it is only through equitable state support that this delicately balanced landscape can continue to run smoothly and support the needs of students, employers and communities across the state.

Making achievable the college dreams of all students is at the heart of the mission of every private college in New York. That is why Independent Sector colleges and universities contribute \$5.7 billion from their own resources every year for student aid, an amount that has more than doubled over the past decade. That is also why my predecessors and I have returned to you, the leaders of our state Legislature, year after year, to advocate for more funding for our students and our private college campuses.

The aid New York provides to private, not-for-profit colleges and universities and their students is a shining example of public-private partnership. When the state invests in our campuses and our students, everyone wins. Students win because they have the resources to pursue their higher education at the college that best meets their needs. Colleges win because they can leverage state support to keep college costs down for all students and provide the supports students need to get to graduation. Communities win because they can continue to rely on their private college to create jobs and generate economic activity. And, the state wins, by leveraging the private sector to educate more students, conduct more groundbreaking R&D, and draw in more talent than the public sector could do alone. The state also wins because its investment in private colleges helps ensure that New York continues to have an educated workforce for the economy of tomorrow.

In today's economy, and more importantly in tomorrow's, a college degree is the key to a career in high-demand fields like STEM, nursing, and teaching. A well-educated, creative and flexible workforce is also the key to attracting new businesses to New York, retaining existing businesses and encouraging investment.

Our colleagues in New York's public higher education systems cannot do it alone. Maintaining balance in New York's higher education system is integral to our state's future economic viability and requires investment in both the public and private sectors.

The Difference a Degree Makes

The decision to invest in a college degree is a pivotal moment in a person's life and it can set a person on a path toward upward social mobility. It is not a decision that any student takes lightly.

I use the word "invest" purposely — a college degree takes time, money and effort. Our campuses, like this legislative body, are keenly focused on reducing the cost of a college degree and I would like to clear up some of the misconceptions about those costs.

Thanks to the generous financial aid colleges and universities provide from their own accounts (\$5.7 billion last year), and in partnership with state and federal scholarship, grant, and loan programs, most students do not pay the so-called "sticker price" for their degree. In fact, most students in New York pay significantly less: the average net price students pay for tuition, room, and board at private, not-for-profit colleges and universities in New York is \$26,535. Adjusting for inflation, that amount is virtually unchanged over the past decade.

Our campuses are keenly focused on keeping the cost of college within reach for all students. The proposals in the Executive Budget to reduce funding for opportunity programs like HEOP, STEP, C-STEP, and the Liberty Partnerships Program take student aid resources away from campuses and run counter to our collective goals to keep the cost of college as low as possible while still providing the resources students need to earn their degrees.

Our campuses are on the front line working every day to ensure students make responsible borrowing decisions and are able to reap a large return on their investment in a college degree.

At the end of the day, though, the value of a degree is measured on an individual scale: was the investment of time, money, and effort worth it for that particular student?

The answer, in most cases, is a resounding yes.

We know, for example, that a person with a four-year degree earns on average \$1 million more in their lifetime than a person with just a high school diploma. We also know that 10 years after starting college, Pell Grant recipients who graduate from New York's private, not-for-profit colleges and universities earn, on average, \$57,043 annually, significantly higher than graduates of any other higher education sector.

Economic mobility – the ability of an individual or family to improve their economic status – is one measure of success that our institutions care deeply about. It is an indication that a college degree did, in fact, put an individual on the path toward lifelong success and served as a stepping stone to help them, and their family, achieve a better life.

According to a study published by Harvard University's Opportunity Insights team and led by economist Raj Chetty, ten of our Independent Sector institutions are ranked among the top 100 colleges and universities in the country for upward mobility of college graduates. One of our campuses, Vaughn College of Aeronautics and Technology, ranks first in the nation. These institutions excel at enabling students to do better than their parents, boosting them from the bottom 20 percent of household income in which they were raised to the top 20 percent of income distribution.

The promise that working hard and earning a good education can propel a person beyond what their parents and grandparents have achieved is at the very heart of the American dream. We owe it to all New Yorkers to keep that dream alive by ensuring they can access the college or university that best meets their needs and goals.

Private institutions that serve the public good in this way, by improving the economic realities of individuals, families, and entire communities, are a worthy investment of public dollars. By setting our students up for successful futures, we also set New York up for a successful future: encouraging people to move to or stay in the state, open businesses, and make economic investments. That is the recipe for real economic development and success, and it starts with you and the decisions you make about this budget.

How Campuses Impact Their Communities

As I have said, the 100+ private, not-for-profit colleges and universities in New York are located in every corner of the state, from the Bronx to Buffalo and from Elmira to Elmhurst.

Communities large and small across our state rely on college campuses to serve as economic anchors, holding steady through turbulent times and serving as a beacon of hope and possibility for their neighbors.

In 2017, New York's private colleges contributed \$88.8 billion to our state's economy and supported 415,600 (direct, indirect, and induced) jobs.

These big statewide economic impact numbers can all be tracked back to smaller, local impacts: students and faculty supporting a local coffee shop in Garden City, researchers spinning innovations into small businesses in Ithaca and Brooklyn, hotels fully booked for graduation weekend

in Troy, and professors buying homes and putting down roots in places like Poughkeepsie, Syracuse and Rochester.

This economic impact is also measured in construction jobs. In 2017, our campuses spent \$2.2 billion on construction projects that created 14,100 jobs. By building new facilities, renewing existing facilities, and investing in the latest technology, our campuses are not just improving themselves, they are also breathing new life into their communities.

The Higher Education Capital (HECap) Matching Grant helps private colleges make these job-creating infrastructure investments. You have seen the results of this program in your own districts:

- Assemblymember McDonald – Rensselaer Polytechnic Institute in your district was awarded a \$2.13 million HECap grant to help with construction of their East Campus Athletic Village and another \$500,000 grant to purchase and install state-of-the-art sensors in Lake George for a groundbreaking research project. Those two projects generated a total infrastructure investment of nearly \$8 million.
- Senator May – Colgate University in your district received a \$850,912 HECap award to construct a new science center.

These are but two examples of the capital spending that HECap has spurred across the state.

Our Request to You, the New York State Legislature

New York's students are relying on state investment in higher education to give them a pathway toward a better tomorrow. New York's communities are relying on state investment in higher education to preserve and expand the job base. All New Yorkers are relying on state investment in higher education to ensure that our state maintains its global competitiveness for generations to come.

Here are the areas where your action is needed to preserve New York's carefully balanced higher education ecosystem.

DREAM Act

We applaud last week's passage of the DREAM Act and the Governor's inclusion of the DREAM Act in his Executive Budget. Like all New Yorkers, undocumented students deserve access to the bright future that higher education can bring and the student aid and opportunity programs that make higher education possible. New York's private colleges provide \$5.7 billion in financial aid to their students every year and many of those programs are open to all students, regardless of immigration status. Passage of the DREAM Act would put New York's student aid and opportunity programs in line with the student aid programs our campuses already provide and would offer undocumented students additional critical financial resources that would allow them to pursue higher education.

Opportunity Programs

Funding for Opportunity Programs, including the Arthur O. Eve Higher Education Opportunity Program (HEOP), the Collegiate Science and Technology Entry Program (C-STEP) and its high school counterpart STEP, and the Liberty Partnerships Program (LPP), was cut by 17 percent (a total of \$13.6 million) in the Executive Budget. Each of these programs has a proven track record of improving access to higher education and degree completion for New York's neediest students.

This proposed funding cut is really the elimination of the funding increases the Legislature added last year. These programs, and the students that depend on them, should not be a political football. **We urge you to restore, and increase by 20%, funding for opportunity programs so that our campuses can meet demand for these life changing programs.** Opportunity programs were on track to have funding doubled by 2020, but recent years of level funding have pushed that target back and demand now far exceeds the funding available. This 20% increase would get the programs back on track to double funding from 2013 levels by 2020.

- **Arthur O. Eve Higher Education Opportunity Program (HEOP): Restore Executive Budget cuts and increase funding to \$42.7 million, a 20% increase over the 2018 funding level, and allow a small portion of those funds to be used for professional development for the dedicated professionals who run these programs across the state.**
- **Science, Technology Entry Program (STEP) and its collegiate counterpart (C-STEP): Restore Executive Budget cuts and increase funding to \$33.4 million, a 20% increase over the 2018 funding level.**
- **Liberty Partnerships Program (LPP): Restore Executive Budget cuts and increase funding to \$22 million, a 20% increase of the 2018 funding level.**

Tuition Assistance Program (TAP)

TAP is New York's signature financial aid program. For more than 50 years it has helped students from New York's lowest income families realize their college dreams. However, in recent years the program has been helping fewer and fewer students because the income eligibility has not kept up with the pace of inflation. Between 2005 and 2017, the adjusted median family income in New York increased by 7 percent; the upper income limit of \$80,000 for TAP eligibility has not increased since 2000. That has led to more families being shut out from TAP eligibility. Additionally, TAP award amounts have not kept up with the pace of inflation or with student need. The maximum award was stagnant at \$5,000 for over a decade until it was increased by 3 percent in 2013-14 to \$5,165. Since then, the maximum award amount has not changed. The minimum award amount has also remained stagnant at \$500. **We are asking that the state begin a three-year phase-in to increase the maximum TAP award to \$6,000, the minimum TAP award to \$1,000, and the maximum income eligibility to \$95,000.** Modernizing this program to keep up with inflation and to reach more struggling New York families is the right thing to do. These changes will not just help students at private colleges, they will also go a long way toward closing the "TAP gap" at our public universities, generating more operating revenue for SUNY and CUNY.

We were very pleased to see Senator Skoufis and Senator Stavisky begin this important discussion by introducing a bill that would increase income eligibility to \$95,000 and increase the minimum award to \$750. Together with the Dream Act, an expansion of TAP would represent a bold step forward in helping New Yorkers attend the college of their choice.

Higher Education Capital (HECap) Matching Grants Program

The Higher Education Capital (HECap) Matching Grants Program is a critical source of capital funding for our campuses. Regrettably, it was eliminated entirely in the Executive Budget. **We ask that you restore funding for HECap (historically \$30 million per year) and enhance it to \$35 million in the 2019-20 State Budget.** This program is an example of the type of public-private partnership that benefits the entire state. The HECap program is a competitive matching grant program, campuses that are awarded HECap grants must contribute \$3 for every \$1 of state funds

they receive. They also must pay prevailing wage and employ minority- and women-owned businesses for HECap-funded construction projects. Since the program's inception, the state has awarded \$246.8 million in grants that private colleges have matched with more than \$800 million – this means the state has leveraged more than \$1 billion in total infrastructure spending. In a year when the Governor has announced a \$150 billion state infrastructure plan, including almost \$7 billion for SUNY and CUNY over the next five years, this \$35 million request for HECap funding is a way to further leverage the state's dollars.

Science, Technology, Engineering and Math (STEM) Incentive Scholarship

In last year's State Budget, the Legislature gave students at New York's private colleges access to the STEM Incentive Scholarship. The scholarship is available to New York high school students in the top 10 percent of their class who pursue a STEM degree and agree to remain in New York and work in a STEM field after graduating. Regrettably, no new money was included in the Executive Budget to fund a second cohort of students. **We ask that you include funding for a second cohort of students to receive this important scholarship in the 2019-20 State Budget.**

Direct Institutional "Bundy" Aid

We are so grateful that Bundy Aid was included in this year's Executive Budget with no cuts from last year's funding level. This 50-year-old program is the only source of unrestricted aid New York gives our 100+ private colleges and it is used primarily for student aid and other supports that help students get over the finish line to graduation. The program is outcome-based and student-focused – colleges receive funds based on the number of degrees they confer. For many years Bundy Aid has received \$35.13 million in funding, less than 20% of the amount outlined by statute. **We are asking that you increase Bundy Aid funding to \$40.13 million in the 2019-20 State Budget** by reinvesting some of the \$15.6 million cut from the Enhanced Tuition Award program into the Bundy Aid program. Increasing this funding will help private colleges directly reduce the cost of college for students.

Enhanced Tuition Award

The Enhanced Tuition Award (ETA) program created two years ago has proven difficult for colleges to administer and students to take advantage of. This has resulted in significantly less money being used for the ETA program than was originally funded in the state budget. However, with more than 30 private colleges committed to using the ETA program to lower costs for their students and absent data from HESC on the amount of money or number of scholarships awarded, it is impossible to know if the \$7.3 million proposed in the Executive Budget is sufficient to meet full demand. **We urge that sufficient resources be made available so that no qualified student is denied an award.**

Invest in Research and Development that Powers New York's Economy

Right now, on college campuses across the state, researchers are asking questions and solving problems that will lead to tomorrow's great innovations. This R&D leads to the creation of spin-off companies and draws existing companies to locate in New York, powering our economy today and setting us up to be globally competitive for years to come. New York's colleges spend \$6.1 billion on R&D each year putting us second only to California; three-quarters of that spending is done by private, not-for-profit colleges and universities. There are several key ways the State Budget can invest in this critical research:

- **Enhance support for the 15 Centers for Advanced Technology (CATs) from \$920,000 per center to \$1.5 million per center. Restore and enhance support for the 13 Centers of Excellence (COEs) by funding each center at \$1.5 million;** the Executive Budget reduced funding for each COE from \$1 million to \$920,000. CATs and COEs provide important research, development and troubleshooting services for small and medium sized companies in New York. According to a 2017 Empire State Development annual report, CATs and COEs combined have created or retained 6,083 jobs and generated \$1.1 billion in economic impact.
- **Restore and invest \$5 million into the Faculty Development and Technology Transfer program through NYSTAR.** This program enables colleges and universities to attract world-class talent and innovation to the state but funding is expected to be exhausted in 2019.
- **Increase funding for the NYSTAR Matching Grants program to \$8 million (from \$6 million) to help leverage federal research dollars.**

Conclusion

New York has the most vibrant higher education ecosystem in the nation. That didn't happen by accident. It is the result of strategic, sustained investment and robust public-private partnerships. With your leadership, New York can continue to benefit from its unparalleled network of public and private colleges whose students, faculty and campus centers sustain our economy and bring vitality to communities across the state.

I call on you today to maintain the commitment to higher education that has for generations been a hallmark of New York's spending priorities and has helped make New York great. I urge you to restore and support funding to the critical programs that allow students to choose the college or university, public or private, that best meets their needs and goals and that allow colleges and universities to make the investments that help make New York's economy vibrant. It is only through this partnership between Independent Sector higher education and the state that we can ensure all New Yorkers realize their college dreams and that the state maximizes its economic potential.

I look forward to working with you and your legislative colleagues to ensure that these campuses can remain vibrant members of their communities and that their students continue to have access to private higher education and the lifelong benefits that come with it. Thank you for your time and I welcome your questions.