

TESTIMONY OF THE ASSOCIATION OF PROPRIETARY COLLEGES

**FOR THE JOINT LEGISLATIVE PUBLIC HEARING
ON THE EXECUTIVE BUDGET PROPOSAL FOR
SFY 2017 - 2018
JANUARY 24, 2017**

Testimony Provided by the Association of Proprietary Colleges (APC)

Senator Young, Senator LaValle, Assemblyman Farrell, Assemblywoman Glick, members of the Legislature, 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. My name is Donna Gurnett and I am the President and CEO of APC and it is my honor to be here today.

Introduction:

The Association of Proprietary Colleges (APC) represents 14 accredited, degree granting colleges operating on 27 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, Albany and the entire NYC metropolitan area.

I'd like to take this opportunity to talk specifically about:

- Positive trends we are seeing in student outcomes for the proprietary sector;
- Governor Cuomo's proposed Excelsior Scholarship program; and
- Suggested improvements for the Tuition Assistance Program.

In short, the Association of Proprietary Colleges members are committed to keeping debt down; student achievement high; and a path to employment the priority.

APC Background and Member Statistics:

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 7 of our 14 members were founded over 100 years ago. APC member colleges are New York focused, educating more than 35,000 local students for lifelong careers that are in demand in New York. Ninety percent of students attending APC member 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 6,000 people and are strong economic drivers in their local communities.

College Affordability:

APC member colleges are committed to keeping college affordable. In the 2015-2016 academic year, the average tuition at APC member colleges was \$17,345, an increase of just \$380 from the prior year. This is less than a 1% increase over this prior year; well within the Governor's request to keep tuition increases below the 3 year Higher Education Price Index (HEPI) average of 2.23% for 2013, 2014 and 2015. While APC members currently meet the Governor's proposed metric, we are concerned about the impact this may have in the future as colleges make decisions to expand programs or support services and how best to handle these additional expenses.

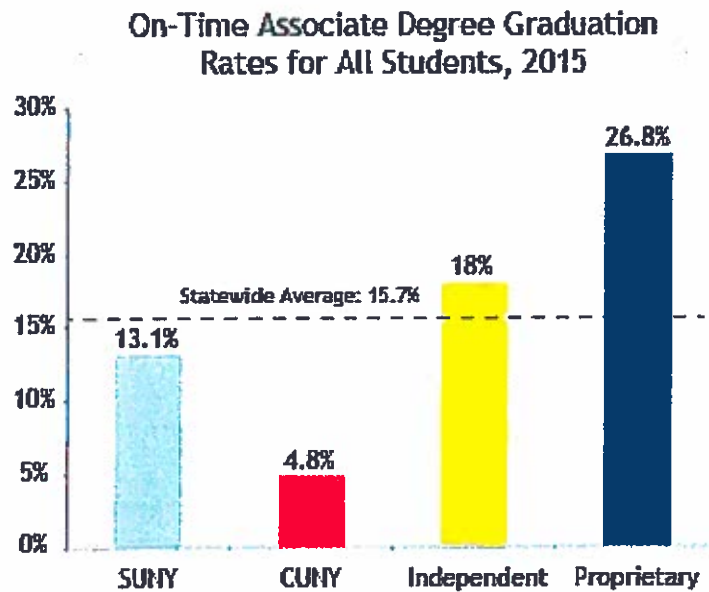
Over the past few years, our colleges have instituted either small tuition increases, held tuition flat or even decreased tuition. This is possible because APC member colleges are adept at identifying operating efficiencies without negatively impacting faculty development or student support systems. For example, using e-textbooks or text book rentals for course material is much more cost effective than requiring students to purchase textbooks outright.

As well, our member colleges partner 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 also become acquainted with the college environment, giving them a cost effective head start on their college degree.

Most importantly, **APC member colleges provided over \$92 million in grants, scholarships and institutional aid** in the 2015-2016 academic year. This financial aid combined with exceptional academic support ensures our students reach their goal of an affordable, relevant degree that will lead to employment.

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 2015 graduation rates for Associate level degrees published by the NYS Education Department¹:



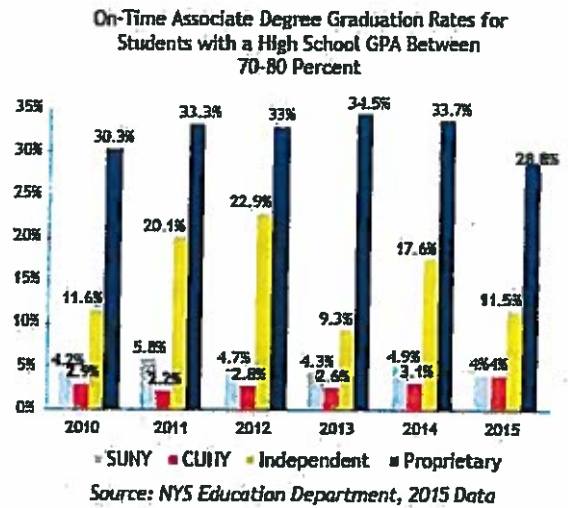
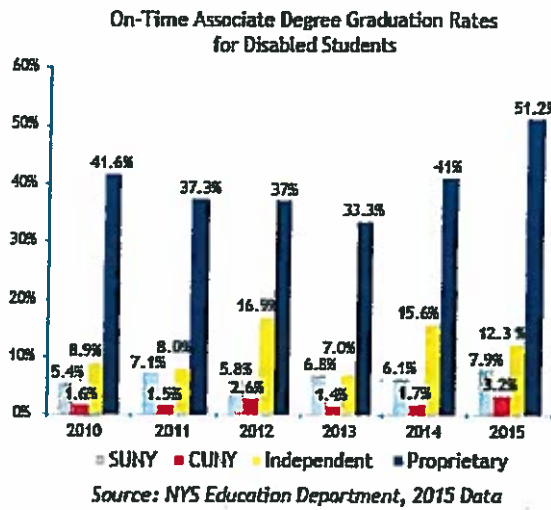
Source: NYS Education Department, 2015 Data

As well, APC member colleges have increased their on-time graduation rates for bachelor degrees by 3% since 2011 and meet or exceed the statewide average graduation rate.

¹ <http://www.highered.nysed.gov/oris/gradrates/bysector/assocpage1b.htm>

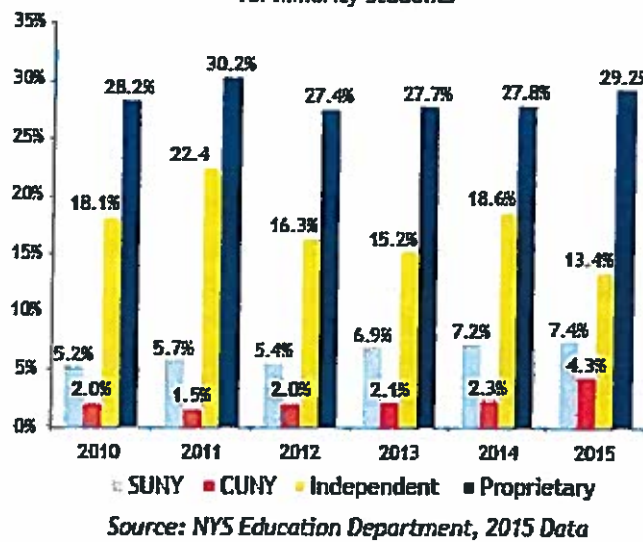
APC colleges are uniquely positioned to serve at-risk students. These students are bright and capable of college level learning but are at-risk primarily due to their socioeconomic environment and lack of support at home and at high school. To be successful, these students need extra attention, academic support, and services that our members provide. For example, many of our colleges will reach out to students immediately when they miss classes. They also take the extra step to provide the necessary counseling and academic support to address the issues keeping the student from attending school and getting them back in-class, and in-sync academically, with their classmates.

Students with disabilities and those with lower High School GPA's do well at APC member colleges:



Minority students also are more successful at APC member colleges:

On-Time Associate Degree Graduation Rates for Minority Students



Job Placement and Employment:

In a recent member survey, APC members reported that **72% of their graduates find jobs in their field of study within 6 months of graduation and this number increases to 85% after 12 months²**.

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 compound the value of the educational experience. LIM College, located in the heart of the fashion district in Manhattan, is a prime example. Hands on learning and experience within the fashion industry are an integral part of a student's core curriculum. It allows students to take the information they learned in class and put it into action in the real world. It starts the day they enter LIM College and continues throughout their educational experience.

- During Freshman year, students are required to complete a 3 credit course consisting of a career planning class and hands on internship within the retail sector.
- During Sophomore year, students undertake a credited five week, full-time corporate internship that enables them to explore different areas of the fashion industry. Some examples include internships in buying, merchandising, visual merchandising, product development, or public relations.
- During their last semester, students complete a semester-long, full time Co-op. Students have the ability to choose the company (for example: buying, public relations, fashion magazines, department stores, cosmetic companies) they work for and are required to spend a minimum of 28 hours per week at the internship site.

Student Loan Debt:

Graduation is ultimately the key to success for our students and helps ensure they are able to find good jobs and repay their student loans. Recent studies show that student loan borrowers who struggle the most to repay their loans are often non-completers. In fact, student borrowers who do not complete a degree default on their student loans at a rate of almost three times higher than borrowers who earned a degree.³

APC member colleges offer their students exceptional support throughout their college experience. Common themes include individual attention, small class room sizes (average student-to-faculty ratio of 17 to 1), counseling and financial literacy training and career development. 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 just **\$21,900 in student loan debt. This is significantly lower than the average student loan debt of New York residents of \$32,200 and the national average of \$29,700.**

² Annual APC member survey 2015.

³ US Department of Education Fact Sheet: <https://www.ed.gov/news/press-releases/fact-sheet-focusing-higher-education-student-success>

Governor Cuomo's Proposed Excelsior Scholarship Program:

APC member colleges are pleased that the Governor is committed to improving access to higher education for New Yorkers. The proposed tuition-free program, the Excelsior Scholarship, requires participating students to be enrolled at a SUNY or CUNY two- or four-year college full-time. This supplemental aid program will be phased in over three years, beginning in the fall of 2017 for families making up to \$100,000 annually, increasing to \$110,000 in 2018, and reaching \$125,000 in 2019.

APC members are committed to creating opportunities for all students to receive a quality, affordable education from a college of their choosing. This includes students who seek to better their futures by attending classes while working full-time jobs, students who enroll in college to enhance their education after being in the workforce for many years, students looking to improving their skills to compete in today's job market, and students pursuing a degree after starting a family.

Governor Cuomo's proposal seeks to support many of these types of students, however as it is currently proposed our students will be left behind. Student choice across all sectors of higher education in New York must be maintained and should be part of the Excelsior Scholarships Program. Ninety percent of students attending APC member colleges are from New York and more than 90 percent of those students stay in the state after graduation to live and work. These students deserve the same opportunity to reduce their student loan debt as the Governor's proposal outlines.

Alternative Proposals for Consideration:

The Tuition Assistance Program (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 2014-2015 academic year, approximately 73% of APC students received a Pell award and over 21,000 full-time equivalents received a TAP award⁴.**

We respectfully request that our students be eligible to participate in the Excelsior Scholarship program should it move forward or we would recommend that those funds be used to expand the existing Tuition Assistance Program (TAP) for all sectors of higher education. We understand that in the past hard decisions were made regarding the state's ability to support the TAP Program. However, as the cost of higher education continues to increase and employers in many areas require college degrees, more students from lower income to middle class families could benefit from the assistance that is 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 of 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 but continued adjustments to the minimum and maximum TAP awards would make a tremendous difference to many lower income students and their families.

⁴ New York State Higher Education Services Corporation Annual Report 2014-2015: <https://www.hesc.ny.gov/hesc-news.html>.

- **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 raised from \$50,500 to \$80,000 in 2000. 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.
- **Reinstate Graduate TAP.** The elimination of Graduate TAP in 2010 has had an impact on students, as well, 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 demand by employers. A few examples include: Monroe College started a Master's in Public Health. LIM College started a Master's in Professional Studies in Fashion Merchandising and Retail Management as well as Master's in Business Administration with concentrations in Fashion Management and Entrepreneurship.

In Conclusion

New York State has a long standing history of working together with institutions of higher education in all four sectors (SUNY, CUNY, independent non-profit and proprietary) to benefit 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 investment in the Tuition Assistance Program will help support students that APC member colleges are training for the jobs of today and tomorrow and who will be vital to our 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.

Contact Information: Donna Gurnett, Association of Proprietary Colleges
 Phone (518)437-1867
 Bartley J. Costello, III or Janet Silver, Hinman Straub Advisors, LLC
 Phone (518) 436-0751



Association of Proprietary Colleges
Educating New Yorkers for a lifetime of success.

APC Member Colleges:

A light blue silhouette of the state of New York is positioned in the background behind the list of member colleges.

Berkeley College - Est. 1931
Bryant & Stratton College - Est. 1854
The College of Westchester - Est. 1915
Elmira Business Institute - Est. 1858
Five Towns College - Est. 1972
Island Drafting & Technical Institute - Est. 1957
Jamestown Business College - Est. 1886
LIM College - Est. 1939
Monroe College - Est. 1933
New York Career Institute - Est. 1941
Pacific College of Oriental Medicine - Est. 1986
Plaza College - Est. 1916
School of Visual Arts - Est. 1947
The Swedish Institute - Est. 1916

