

Testimony

**Drew Bogner, Ph.D., Interim President
Commission on Independent Colleges and Universities (CICU)**

Independent Higher Education and New York:
Investing in Students and Investing in the Future of the State's Workforce

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Introduction

Good afternoon and thank you Chairpersons Krueger and Weinstein for your leadership and helping our state weather the storm presented by the ongoing COVID-19 pandemic. I would also like to take this opportunity to acknowledge the chairpersons of the Senate and Assembly Higher Education Committees, Senator Stavisky and Assemblymember Glick: thank you for your continued service and support for New York's higher education institutions and the students we educate. We've enjoyed being partners over the years and look forward to continuing our efforts to educate future generations together.

I am Dr. Drew Bogner, and I am honored to be here today as interim president of the Commission on Independent Colleges and Universities (CICU), representing more than 100 private, not-for-profit colleges and universities, their nearly 500,000 students and the 415,000 jobs they support across New York State.

The past year has challenged New York's colleges in ways unfathomable only twelve months ago. After deciding to send all students home early last spring as the pandemic began, our members quickly pivoted to virtual learning. Both students and professors rose to the immense challenges of this new model. At the same time, private colleges in New York worked together to form a task force to envision how campuses could safely reopen in the fall, producing a report that formed the basis for many colleges' reopening plans. As colleges spent the summer weighing whether, and how, to safely reopen in the fall, they were under a constant economic strain caused by the pandemic. Private colleges made huge investments in PPE, testing programs, contact tracing, and improved remote learning. Meanwhile, their expected revenues plummeted. Overall the financial toll of the pandemic on New York's private college tops \$2 billion and continues to climb.

College students and their families are also struggling – in addition to losing out on many of the normal college experiences they expected, students have faced lost jobs and internships and many are helping to support families that are reeling from the financial crisis. Through it all, though, these students continue to pursue their studies and remain committed to their career paths.

Today I am calling on New York to maintain its commitment to these students and families. I want to remind you of who our students are.

New York is home to the nation's largest independent sector of higher education. Here's a look at our sector by the numbers:

- 100+ private colleges and universities;
- 40 percent of all college students in the state attend private colleges; nearly 500,000 students total, more than half of whom are New York residents;
- Two-thirds of private college students in New York are from families that earn less than \$125,000 annually;
- 40 percent of the Black and Latinx students who attend college in New York attend a private college;
- New York's private colleges confer 49 percent of the bachelor's, 72 percent of the master's and 78 percent of the doctoral degrees awarded in the state annually;
- 415,000 jobs supported by New York private colleges;
- \$88.8 billion annual economic impact;

- New York is the No. 1 destination for U.S. students who leave their home state for college and the No. 2 destination for international students who leave their home country for college; many of these students stay in New York after graduation, keeping their talents in New York.

Despite the massive impact of our sector and the huge number of students we educate, New York ranks 17th in the nation in its per capita need-based support for students at private, not-for-profit colleges. Our campuses have helped communities throughout the state weather these challenging economic times. We serve as cultural beacons, meeting hubs, and economic engines for our communities. The economic and social impact of our presence, particularly during the pandemic, is visible across the state through the research, job creation, and work that our students and faculty have done in the fields of healthcare and technology to support New York’s fight against COVID-19.

Higher education is at a crossroads, buffeted by changing demographics, the need to provide more support services to our students, and the myriad challenges presented by the pandemic which continue to disrupt higher education and the student experience. This legislative body will play an instrumental role in determining whether New York’s colleges surmount these forces and continue to serve as transformative agents in the lives of thousands of students and in communities across the state.

Investment in higher education is an investment in our state’s future, and that also means an investment in our state’s ability to build back stronger from this pandemic. Independent colleges are an essential workforce pipeline, educating and training students to become the nurses, doctors, and scientists of the future. And this year, as our state faces a looming multi-billion-dollar deficit, it is more important than ever that we direct resources toward students who need the most. This means investing in proven student aid programs that support the greatest number of students and ensuring that higher education remains accessible and affordable to every New Yorker, regardless of whether they choose to study at a public or private institution.

I’m proud that New York recognizes the value of higher education and invests more than \$7.5 billion each year in its public colleges. Since 2012, annual state support for public higher education has grown by \$1.8 billion, allowing our public systems to offer tuitions that are lower than all but 10 states. But support for New York students attending private, not-for-profit colleges dropped during this same period. Public institutions deserve support, but they are only one part of New York’s higher education landscape. New York cannot educate 1.2 million students each year without the immense contributions of the Independent Sector. Investment in New York’s private, not-for-profit colleges provides tremendous taxpayer value: with less than four percent of the state’s higher education budget, private colleges enroll 40 percent of New York’s college students and confer 59 percent of the bachelor’s and graduate degrees awarded in the state. Our partnership with New York State is an example of how public-private partnerships can truly benefit all parties involved.

Support for All Students

New York must continue to support all students, particularly those from low- and moderate-income families who are suffering the most during this pandemic. Many of those students have made the decision that private college is the best option for them — New York should support their choice.

While we are very pleased to see that funding for Opportunity Programs was not cut in the Executive Budget, we urge you to reject the Executive’s proposal to eliminate direct institutional “Bundy” Aid. The Executive incongruously cites federal pandemic relief aid as an excuse to cut critical Bundy Aid for Independent colleges. Federal emergency relief aid does not relinquish New York from its commitment to students or their families. The emergency funding provided to colleges is a necessary

support, but does not come close to addressing all of the financial damage caused by the pandemic and certainly does not make obsolete the need for New York's continued support of student aid programs. In fact, this one-time federal relief aid has mitigated less than 25 percent of the \$2 billion pandemic-related shortfall private colleges have experienced so far.

Bundy Aid is a student aid program, the funds go directly toward making college more affordable and providing students the supports they need to succeed and graduate.

There is very little new support in the Executive Budget proposal for low- and moderate-income New Yorkers who want to pursue their college dreams. With only 35 percent of all adults, 23 percent of African American adults and 18 percent of Latinx adults having earned a bachelor's or graduate degree, taxpayer money should be invested instead in programs that are proven to help New Yorkers earn degrees, programs including Bundy Aid and the Tuition Assistance Program (TAP). TAP is a progressive, equity-based form of financial aid that provides the greatest benefit to the lowest income New Yorkers, regardless of where they choose to pursue higher education.

As a former college president, I know firsthand how challenging it is to make higher education affordable. I also have two decades of experience in keeping costs low and value high. Molloy College, where I was president, was ranked by Money Magazine as the best value college in the nation and was listed in the Wall Street Journal's top 20 colleges providing the best value. I know that all of you are rightly concerned about the cost of college. First, some key facts: most students in New York pay significantly less to attend a private college than the so-called "sticker price." In fact, 86 percent of our students receive financial aid. Last year, private colleges in New York gave \$6.4 billion in financial aid to their students; that number is undoubtedly climbing this year as colleges respond to the financial hardships students and their families are experiencing. When aid directly from colleges is combined with programs like TAP, Bundy Aid, and Pell Grants, the average net price students pay for tuition, room, and board at private, not-for-profit colleges and universities in New York is \$27,410. Adjusting for inflation, that amount is virtually unchanged over the past decade.

A critical component of keeping college costs low and value high is ensuring that students graduate on time: Our students boast the highest graduation rates of any sector and the lowest loan default rates, thanks in large measure to the individualized attention and support that we are committed to providing.

A Degree Can Make A Difference

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" because earning 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.

Private colleges are on the front lines, 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, almost always, 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, federal aid recipients who graduate from New York’s private, not-for-profit colleges and universities earn, on average, \$59,630 annually, significantly higher than graduates of any other higher education sector.

The value of a college degree has also been on display throughout the pandemic and economic crisis. Between February and May 2020, unemployment skyrocketed across the country, but people without college degrees were hit the hardest. Unemployment for people with a high school diploma or less rose by more than 12 percentage points, compared to people with a bachelor’s degree or higher who saw unemployment rates rise by 5.5 percentage points.¹

Those Americans without college degrees also faced more risk during the worst of the pandemic — only 22 percent of people with high school diplomas or less were able to switch to telework while almost 65 percent of those with a bachelor’s degree or higher were able to make that switch.²

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, especially during these challenging times, to keep that dream alive by ensuring they can access the college or university that best meets their needs and goals. You can support that effort by ensuring that the state continues to invest in proven student aid programs like Bundy Aid and TAP, and Opportunity Programs.

Our Request to You, the New York State Legislature

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

CICU proposes a four-pronged approach to making higher education more accessible. To support the well-being of our state’s diverse higher education ecosystem and invest in programs to prepare today’s students for the workforce of tomorrow, we’re asking on you to do the following:

- **Reject proposed cuts to Bundy Aid;**
- **Increase funding for TAP;**
- **Increase funding for Opportunity Programs;**
- **Secure the Future of New York’s Workforce**

Direct Institutional “Bundy” Aid

The 2021-22 Executive Budget proposal eliminates Bundy Aid, leveling a tremendous blow to the more than 500,000 students who attend private colleges. This 50-year-old program is the only source of operating aid New York provides the 100+ private, not-for-profit colleges in our state. The funding

¹ Source: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/june/unequal-impact-covid-19-why-education-matters/>

² Source: <https://www.frbsf.org/economic-research/publications/economic-letter/2020/june/unequal-impact-covid-19-why-education-matters/>

is used for student aid and other supports that help students get over the finish line to graduation. The program is outcome-based and student-focused with colleges receiving funds based on the number of degrees they confer. For many years, the state has provided \$35.13 million in Bundy Aid, less than 20 percent of the amount outlined by statute. In addition to erasing Bundy Aid, the 2021-22 Executive Budget proposes not restoring any of the Bundy Aid funds withheld during the current fiscal year and cancels future Bundy Aid payments due in the current fiscal year (FY 2021). This amounts to a devastating \$51.9 million cut for private, not-for-profit colleges.

We ask that you reject proposed cuts to Bundy Aid in both the FY22 and FY21 budgets.

Tuition Assistance Program (TAP)

TAP is New York's signature student aid program. For decades it has helped students from New York's lowest income families afford to go to college and earn a degree. We are grateful that the Executive Budget proposal holds funding for TAP flat but we ask that the Legislature consider increasing TAP's impact by making important investments in the program.

In recent years, TAP has helped fewer and fewer students because the program has not kept pace with students' needs. **Today, New York spends \$119 million (12 percent) less on TAP than it did in 2015-16; 49,000 fewer students (16 percent) received TAP in 2019-20 than in 2015-16. Unless action is taken to expand TAP, this alarming decline is projected to continue (see Appendix B).**

The income limit for TAP has remained at \$80,000 since 2000, shutting many deserving families out of TAP eligibility. TAP award amounts have also not kept up with the rate of inflation or with student need. The maximum award was stagnant at \$5,000 for more than a decade until it was increased by three percent (\$165) in 2014-15 to \$5,165, an increase that was led by this legislative body. Since then, the maximum award amount has not changed. The minimum award amount has also remained stagnant at \$500.

If the state receives the critical federal relief funds requested by the Governor, we ask that you 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 \$110,000. Making these increases will bring the program's total cost to less than the state spent on TAP in 2017-18.

TAP is the equity-based, progressive solution to college affordability that provides the most support to families with the lowest incomes and the widest attainment gaps. Approximately 58,000 private college students qualify for TAP — that represents 32 percent of the resident undergraduates enrolled in our sector. Three-quarters of those students are from families that earn less than \$40,000 annually and half are from families that earn less than \$20,000 annually.

They are counting on New York's leaders to provide the support they need to continue to pursue their college education. Without it, these students' college dreams risk being yet another thing lost to the pandemic.

Opportunity Programs

We are grateful that the Executive Budget maintains funding for Opportunity Programs, including the Arthur O. Eve Higher Education Opportunity Program (HEOP), the Collegiate Science and Technology Entry Program (CSTEP) and its high school counterpart STEP, and the Liberty

Partnerships Program (LPP). Each of these programs has a proven track record of reversing decades of disinvestment in higher education for low-income students. COVID-19 has had a disproportionately devastating impact on low-income students and students of color. Decisive action by New York State to bolster Opportunity Programs can keep these students' dreams of a college degree alive. If the state receives additional federal support, we urge important investments in our state's students.

We urge you to increase funding for Opportunity Programs so that our campuses can meet demand for these transformative programs. Specifically, we want to use an increase in Opportunity Program funding to strengthen existing programs by increasing the amount available to serve each participant. While HEOP is an extraordinarily valuable program, the cost of running it effectively is significant and growing, and additional support from the state will ensure that our campuses can continue to provide the extensive services and benefits that HEOP offers to students. We know that HEOP works — students enrolled in HEOP have higher graduation rates than their non-HEOP peers, even though they enter college with educational and economic disadvantages.

Secure the Future of New York's Workforce

Over the past year, we clapped and cheered for doctors and nurses, thanking them for their tireless work on the frontlines of the pandemic. We have marveled at teachers' flexibility and creativity as they keep even the youngest students engaged in remote or hybrid learning environments that no one could have imagined just a year ago.

The Legislature must act to ensure that New York continues to have a pipeline of these essential workers ready to take their place on the front lines of our post-pandemic world. Private colleges award 57 percent of nursing degrees, 55 percent of health professions degrees, and 59 percent of education degrees in New York — no effort to ensure a pipeline of these critical professionals would be complete without including students earning their degrees at private colleges.

We ask the legislature to expand the education-to-workforce pipeline, particularly in healthcare, with high-tech education by taking these cost-free steps:

- **Pass Simulation Reform** — This would allow colleges to harness technological advancements and support the education of future healthcare workers by addressing the bottleneck of clinical availability. New York must allow simulation, as a supplement to direct clinical practice in limited healthcare professions, in order to ensure students graduate on time with the degrees and expertise they need to keep New York's healthcare workforce strong.
- **Allow Campuses to Modernize Programs** — Bureaucratic red-tape should not impede colleges' commitment to providing the best education for students. New York must empower institutions to provide world-class higher education and maintain our state's position as a top global destination for college. We ask the legislature to support ELFA Part C and give campuses that have shown their commitment to New York students the flexibility they need to respond quickly to changing technology and emerging fields, while maintaining the strong oversight role of the State Education Department.
- **Expand Pharmacists' Scope of Practice** — New York should allow pharmacists to fully utilize their education and fill important roles in healthcare, while improving access for New

Yorkers in healthcare deserts and improving public health through testing, vaccination, and community education.

Higher Education Capital (HECap) Matching Grant Program:

The Higher Education Capital (HECap) Matching Grants Program is a critical source of capital funding for our campuses. From Long Island to Western New York, HECap-supported projects are being built in a sustainable fashion. Regrettably, support for HECap was eliminated entirely in the Executive Budget. **We ask that you restore funding for HECap to \$30 million per year.** This program is an example of a public-private partnership that benefits the entire state. The HECap program is a competitive matching grant program and campuses that are awarded grants must contribute \$3 for every \$1 of state funds they receive. These projects also must pay prevailing wage and employ minority- and women-owned businesses. Since the program's inception, the state has awarded \$290 million in grants that private colleges have matched with more than \$870 million — this means the state has leveraged more than \$1 billion in total infrastructure spending with just a fraction of that investment coming from the state.

Support COVID-19 Testing Expenses:

In order to safely welcome back students and staff to campus, private not-for-profit college and university campuses are regularly testing their communities for COVID-19. During the Fall 2020 semester alone, private colleges conducted more than 1.32 million tests with a positivity rate of just 0.25 percent. The cost to colleges was well in excess of \$77 million and colleges have maintained or increased their investment in testing for the Spring 2021 semester. Unfortunate incidents at the start of the Fall semester made clear that widespread testing is the only safe way to reopen higher education during this pandemic. The state must support colleges' commitment to conducting this important testing.

We ask the legislature to provide financial support for testing to allow campuses to continue to keep their communities safe.

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

In laboratories on college campuses across the state, researchers are fighting against COVID-19, making discoveries, and developing a path back to normalcy. Research and development, at its core, is what drives our world into the future. 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 our state up to be globally competitive for years to come. This year served as a prime example of the importance of local research and laboratory infrastructure and we must continue to invest in R&D. New York's colleges spend \$6.4 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. The 2021-22 State Budget should invest in this critical research.

Restore funding for the 15 Centers for Advanced Technology (CATs) and the 14 Centers of Excellence (COEs) by funding each center at \$1 million. The Executive Budget proposes consolidating CATs and COEs and reducing overall funding. 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.

Conclusion

In times of great economic stress and uncertainty it is understandable to question how the state allocates its limited resources and seek out programs that can be diminished, delayed, or disinvested.

But past economic crises have shown us that the only way to ensure the future we want is to make bold investments today. There is no better way to ensure New York is able to build back better after the devastation of this pandemic than by investing in college students who will be tomorrow's leaders.

Now is not the time for the state to diminish, delay, or disinvest in the programs that provide critical support to students and the colleges they attend.

New York's students and their families cannot afford to have their student aid diminished. They are counting on the state's support of programs like TAP, Bundy Aid, and Opportunity Programs to make their college dreams financial realities.

New York's private, not-for-profit colleges and universities cannot afford to have support delayed. Colleges are in crisis as the costs of operating during the pandemic continue to mount while revenues continue to decline. It is only February and already this year we have seen one private college announce that it will close its doors permanently, ending more than a century of history. Without continued state support and swift action, more colleges will be forced to weigh their continued existence.

New York cannot afford to disinvest in the state's pipeline of essential workers by supporting all students. Private colleges graduate more nurses, healthcare workers, and teachers than our state's public sector. We need the state's support to continue this critical mission.

New York's vibrant higher education ecosystem is the result of decades of strategic, sustained investment and robust public-private partnerships. COVID-19 has thrust the economic viability of many colleges into question and action must be taken to maintain the higher education landscape in New York.

I call on you today to re-establish 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 direct student aid to New York families that need it most by rejecting the Executive proposal to eliminate Bundy Aid, by expanding TAP, and by increasing support for Opportunity Programs.

I look forward to working with you and your legislative colleagues to ensure that low- and moderate-income students are not overlooked and that private campuses remain vibrant members of their communities. Thank you for your time and I welcome your questions.

Appendix A

Facts about New York State's Independent Colleges and Universities

Responding to the COVID-19 Pandemic

- Private, not-for-profit colleges and universities in New York conducted more than 1.32 million COVID-19 tests during the Fall 2020 semester.
- Of those 1.32 million tests, the overall positivity rate was just 0.25 percent.
- We estimate private colleges spent in excess of \$77 million on COVID-19 testing alone during the Fall 2020 semester. Those costs continue to add up as all private colleges have continued their testing programs during the Spring 2021 semester and many have expanded testing.
- The overall financial impact of the pandemic on private colleges in New York is an estimated \$2 billion — between increased expenses and lost revenues — and that figure continues to climb.

Developing Talent

- Private, not-for-profit colleges and universities enroll 40 percent of the 1.2 million students enrolled in postsecondary education in New York State.
- New York State's Independent Sector is the largest in the country.
- 60 percent of private, not-for-profit colleges and universities in New York State enroll fewer than 2,000 students.
- Considering the Independent Sector's undergraduate population:
 - 21 percent are age 25 or older
 - 57 percent are female
 - 18 percent attend classes part-time

Degree Production

- In 2018-19, the Independent Sector awarded 49 percent of bachelor's, 72 percent of master's, and 78 percent of doctoral and professional degrees earned in New York State.
- In New York State, 39 percent of students aged 25 and above who earn a bachelor's degree, do so in the Independent Sector.
- The Independent Sector led degree completion with a 73.7 percent six-year graduation rate in 2019 (up from 59.7 percent in 2000).
- The Independent Sector awards 57 percent of the nursing degrees awarded in New York State, which includes:
 - 66 percent of bachelor's degrees in nursing
 - 63 percent of graduate degrees in nursing
- 67 Independent Sector campuses award 59 percent of the state's bachelor's and graduate degrees in education.

- The Independent Sector outpaces other sectors in the production of degrees in STEM fields (science, technology, engineering, and mathematics). This includes:
 - 52 percent of the bachelor's degrees and 75 percent of graduate degrees earned in STEM fields in New York State.

Driving Economic Impact

- In 2017, total statewide economic impact of New York's Independent Sector of higher education was \$88.8 billion, which represents a 12 percent increase over 2015.
- Total employment in 2017 was 415,600, which includes 186,700 institution jobs, 14,100 construction jobs, and 214,800 indirect/induced jobs.
- Total payroll, which includes institutional, construction, and indirect/induced employment, was \$30.7 billion in 2017.

Empowering Students

- The Tuition Assistance Program (TAP) helps nearly 300,000 students pay their tuition at a New York State college or university. In 2019-20, students at independent colleges and universities received \$167 million in TAP funds.
 - Nearly three-quarters (72 percent) of Independent Sector TAP recipients have incomes below \$40,000; half (50 percent) earn less than \$20,000.
- Independent Sector institutions provide \$6.4 billion in college-funded financial aid in 2018-19; an average increase of 8 percent each year since 2000.

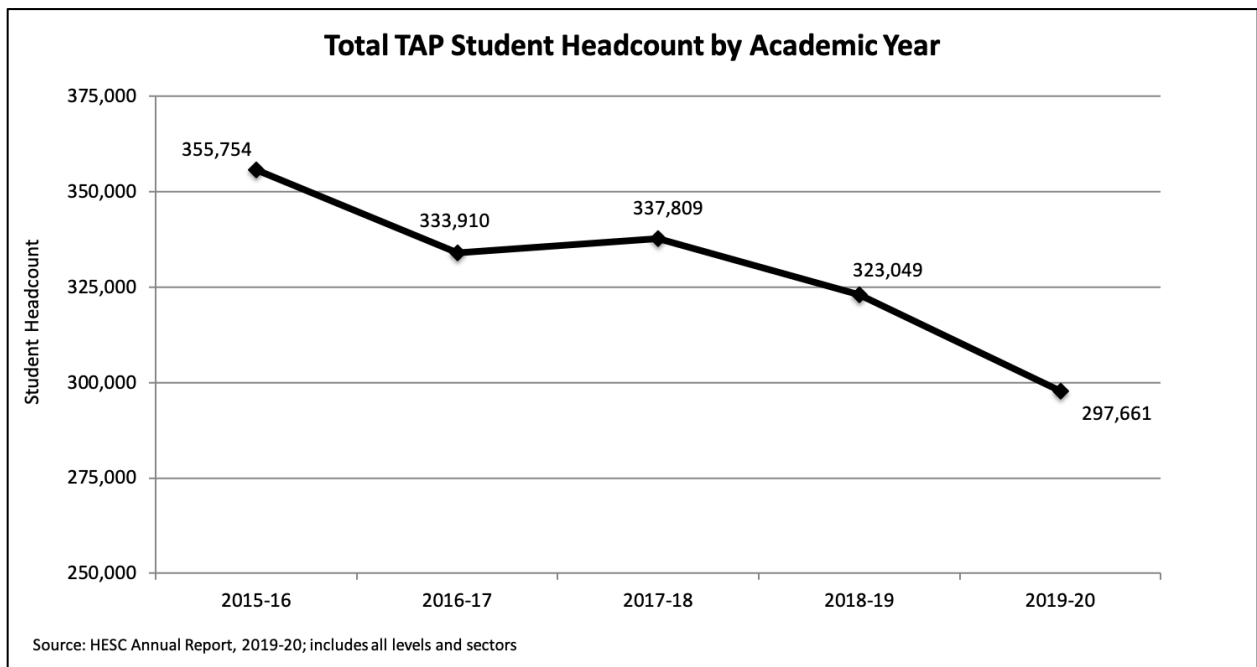
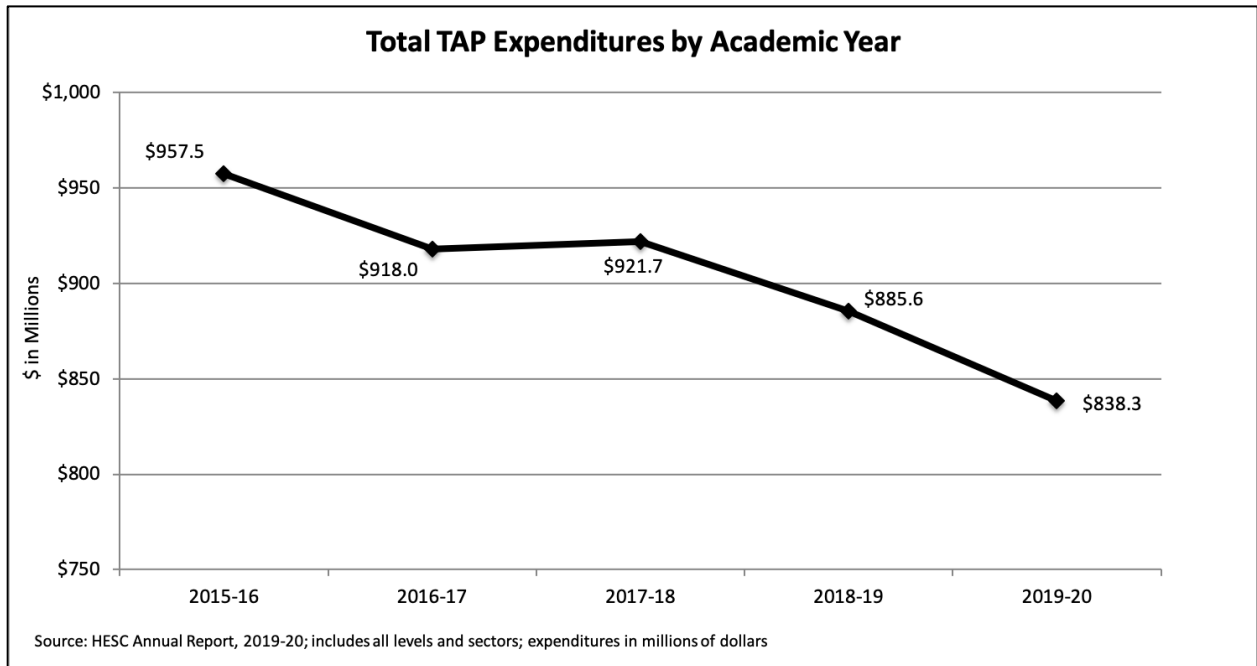
Educating Students of Color

- 40 percent of African-American and Latinx students who attend four-year/graduate college in New York State receive their bachelor's and graduate degrees from private, not-for-profit colleges and universities.
- The Arthur O. Eve Higher Education Opportunity Program (HEOP) brings the promise of a college education to a traditionally underserved population — 66 percent of HEOP students are African-American or Latinx.

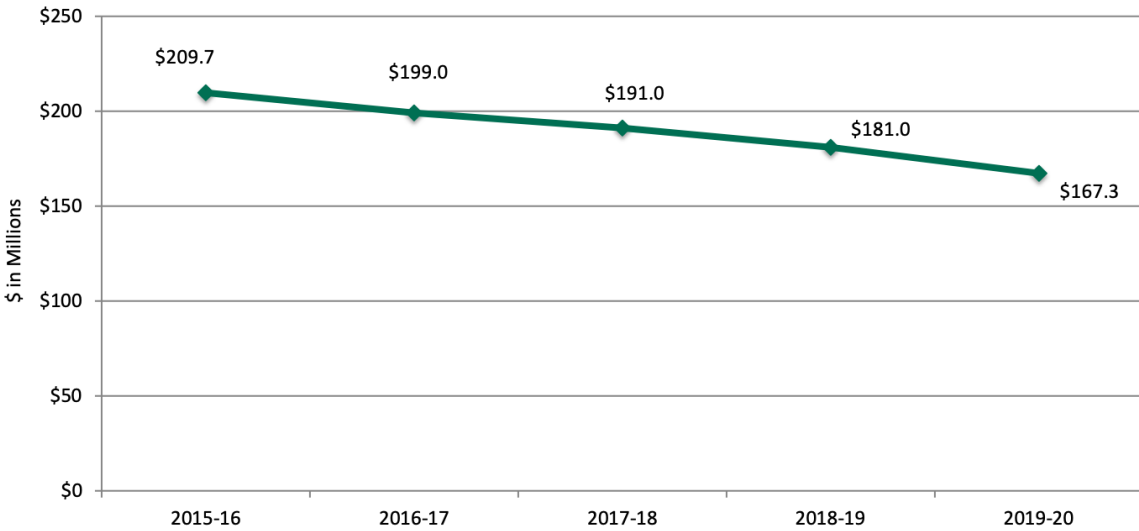
Committed to Discovery

- New York State ranks second among the states, with total public and private higher education R&D expenditures of \$6.4 billion.
- Independent colleges and universities account for 77 percent of R&D spending among higher education institutions in New York State.
- In 2017, the Independent Sector produced 66 start-up companies, filed 613 new patent applications, and received 494 U.S. patents.

Appendix B

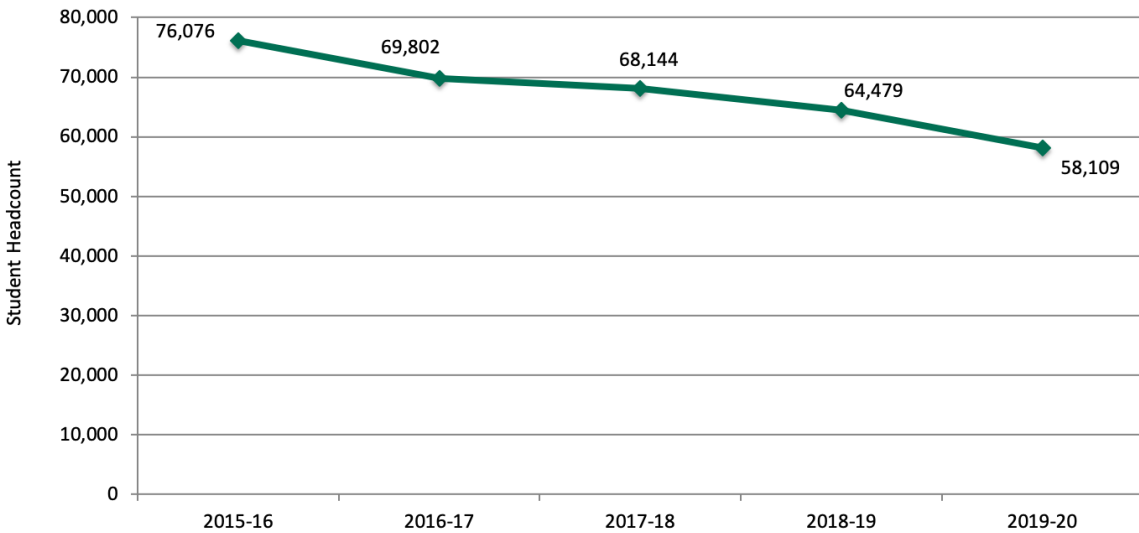


Independent Sector TAP Expenditures by Academic Year



Source: HESC Annual Report, 2019-20; includes all levels; expenditures in millions of dollars

Independent Sector TAP Student Headcount by Academic Year



Source: HESC Annual Report, 2019-20; includes all levels and sectors

