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TESTIMONY OF THE ASSOCIATION OF PROPRIETARY COLLEGES

**FOR THE JOINT LEGISLATIVE PUBLIC HEARING
ON THE EXECUTIVE BUDGET PROPOSAL FOR
SFY 2022 – 2023
February 7, 2022**

Testimony Provided by the Association of Proprietary Colleges (APC)

Assemblywoman Glick, Senator Stavisky, Assemblywoman Weinstein, Senator Krueger and 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.

Introduction

APC was founded in 1978 and today represents 11 degree-granting proprietary colleges on 21 campuses across New York. APC member colleges are privately held, primarily family-owned institutions that have been educating students in our State for decades. The families that own these institutions are deeply-rooted in their communities and are committed to **educational excellence, access, and affordability** – moreover, they have a long history of producing strong outcomes for students of diverse backgrounds, especially for students who graduate from our high-need urban p-12 school districts. For more information on APC, its member colleges, and our students' outcomes, please visit the APC website at www.apc-colleges.org.

Thank you for your continued support!

First, I sincerely thank you and your fellow legislators for your support throughout the past two years as we have all struggled with the challenges presented by the Coronavirus pandemic.

I must also express our appreciation to the legislature for their continued support for our members' students, especially those who come from backgrounds often under-represented on college campuses and students who are the first in their family to attend college. For over forty years, the Legislature has been a true champion for TAP, State-supported financial aid, and other opportunity programs. NY has one of the largest and most generous state sponsored aid programs in the country. The commitment to maintaining financial aid, is needed now more than ever, since those student benefitting from the assistance are also those that have been impacted the most by COVID-19.

Governor Hochul's State of the State address made clear her commitment to higher education, support for students and workforce development. APC member colleges are pleased that the Governor is committed to improving access to an affordable higher education for all New Yorkers.

As we look to 2022, the Association of Proprietary Colleges is committed to working with the Governor and legislature to establish policies that ultimately serve the best interest of our students. We continue to urge the Governor and the legislature to hold all institutions accountable – not just proprietary institutions – because all students pursuing post-secondary education in New York State deserve to attend high quality institutions.

APC Member Colleges – COVID-19 Response

As the pandemic initially swept through the country, APC member institutions responded quickly and decisively to transition their students to remote learning, and in some cases going far beyond instruction to make sure their students had whatever they needed to finish their classes

and complete their degrees. Although our member colleges must continue to strategize and adapt as the ripple effects of the pandemic still flow, the process of looking back to reflect on all that has transpired and contemplate lasting changes we may see is a crucial one.

APC member institutions continue to work through this crisis with a primary focus on the safety of students, faculty and staff and involvement in their local communities. As we move through the pandemic, APC members are taking a hybrid approach offering both on campus and remote learning options. They are following all state and federal guidelines including screening, testing and social distancing protocols; mandating or strongly encouraging vaccinations/boosters, limiting classroom and dorm capacities and where necessary prioritizing the return of classes that require a more hands on/in-person approach or students that struggle more in a remote learning environment.

All of these precautions and safety measures come at a cost. When surveyed, APC member colleges reported an estimated cost of over \$200 million since March 2020 due to pandemic related expenses such as COVID-19 testing, PPE and HVAC upgrades as well as declines in enrollment, auxiliary revenue from sales and services to students; and, room and board refunds.

We were thankful for the relief provided by the federal government through the Higher Education Emergency Relief Fund (HEERF), however, it is important to note that only the first round of funding allowed proprietary institutions to use 50% of the funds received to offset costs to the institutions associated with pandemic expenses. The first round of funding provided approximately \$17 million to APC members to use to help offset these losses and additional expenses. The matching 50% (\$17 million) flowed directly to over 12,000 students attending APC member colleges as emergency aid.

For the proprietary sector, 100% of the funds received for the remaining two rounds HEERF funds were required to flow directly to our students for emergency relief. We are pleased to report that these two rounds provided an additional \$25 million dollars in aid that flowed directly to almost 20,000 students attending APC member colleges.

COVID-19 has laid bare the inequity that existed for these students and their ongoing financial and mental health needs are significant. Many students are struggling with homelessness, food insecurities, childcare needs or caring for other family members.

While the HEERF emergency aid was appreciated it was not nearly enough to offset the financial hardship they are facing. This means that opportunity and state aid programs such as TAP and ETA are needed now more than ever to ensure students can continue to progress with their degrees.

APC LEGISLATIVE PRIORITIES

Continued Support for Access:

Your continued support of the Tuition Assistance Program (TAP) is appreciated and provides much needed opportunities to many students across the state. 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. Many students attending an APC member college are deemed "independent" or otherwise do not have family or support networks to whom

they can turn to for financial help – these students rely on TAP and other financial assistance programs to complete their degrees.

APC member colleges share the State's commitment to keeping college affordable. In 2020, the **average tuition at APC member colleges increased less than 2%** over the previous year and in 2019, APC member colleges **provided over \$100 million** in institutional grants, scholarships and aid.

State sponsored financial aid programs (TAP, ETA) are critically important to our students. APC members successfully educate more than 20,000 students of which **66% are women; 26% are black/African-American and 22% are Hispanic/Latino**. More than **75% of APC students receive federal Pell Grant awards** and approximately **10,000 students receive a New York State TAP award**.

APC member colleges are committed to educational access and affordability for minorities and low income students and effectively educate these students with strong on-time graduation rates, low student loan debt and low Cohort Default Rates.

Below we are providing a series of recommendations that we believe can enhance the TAP program and will help support students as our economy begins to rebound and employers seek talent with skills to meet their needs in the post-pandemic era.

Enhancements to the TAP program:

- **Increase the minimum TAP award from \$500 to \$1,000 and/or the maximum TAP award from \$5,665 to \$6,000 annually.** Last year, the State demonstrated its support for low-income students attending higher education programs when it increased the maximum TAP award from \$5,165 to \$5,665. This increase was appreciated, but prior to that, award amounts had not been adjusted in over 5 years. Continued adjustments to the minimum and maximum TAP awards would make a tremendous difference to many lower income students and their families.
- **Increase the maximum net taxable income (NTI) threshold to receive a TAP award from \$80,000 to \$110,000 annually.** Using a three-year phase-in period, we recommend the State expand the maximum income threshold for TAP recipients to \$110,000. Also, establish a funding formula for future years (post-2025) whereby TAP would be increased annually to keep pace with inflation. This 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 20 years when it was last raised in 2000 from \$50,500 to \$80,000. Both the cost of living and the cost of obtaining a college degree have increased significantly since 2000 and the maximum income threshold for TAP recipients should be adjusted accordingly.
- **Eliminate Disparity in Access to TAP Awards by Standardizing Dependent & Independent Student TAP Award Schedules.** Use the same TAP Award Schedule, income, and maximum award eligibility for all students regardless of their Dependency Status. Currently independent students who are married or single and have no tax dependents receive significantly lower TAP awards compared to dependent students and independent students with tax dependents (with a maximum award of \$3,525 compared to \$5,665 for the latter group). There is also a significant difference in the

maximum income allowed, with eligibility for TAP for independent married students without dependents limited to those below \$40,000 NYS Net Taxable Income (NTI) while eligibility for single independent students without dependents is restricted to those with NTIs no higher than \$10,000.

- **Expand the Part-Time Tuition Assistance Program to include students attending proprietary Colleges.** In Governor Hochul's State of the State address she proposed expanding access to the Part-Time TAP program by eliminating the 24 credit prior year eligibility requirement, and instead make prorated awards available to any individual enrolled in six or more credits at a SUNY, CUNY or not-for-profit institution. Expanding access to this program would allow students with work or family responsibilities to attend college without upending their lives. **APC supports the Governor's proposal and would ask that it be expanded to include students attending proprietary colleges as well.**

Currently 17% of students attending APC member colleges are attending part-time. Our member institutions encourage full-time attendance; providing flexible class schedules and learning modalities that allow their students to reach graduation in a timely manner. However, the current reality is that as New York recovers from the pandemic many students will find themselves needing to focus on family or work obligations and may only be able to attend college part-time. We would ask the legislature to ensure these students have equal access to the newly expanded program.

- **Restore Maximum TAP Awards for Two-Year Degree Programs.** In 2010, the maximum TAP award for students enrolled in two-year degree programs was reduced from \$5,000 to \$4,000 (a 20% reduction). The reduction impacted not only students receiving the maximum award (i.e., the most at-need students), but all students receiving awards saw their assistance cut by 20%. Unfairly, students who attended colleges that also offer four-year programs were not impacted by the reductions, meaning students enrolled in SUNY or CUNY community colleges or private (both independent/non-profit and proprietary) colleges that offer both two- and four-year programs are still able to receive maximum TAP of \$5,665. In other words, students are being treated differently based solely upon the type of institution they enter: students attending institutions that solely offer two-year programs are given far less funding compared to students attending institutions that offer both two- and four-year programs, even if the program offered is identical.
- **Reinstate Graduate TAP.** The elimination of Graduate TAP in 2010 has had a significant impact on students. We urge the State to reconsider its elimination. Over the past several years, APC member colleges have invested in Master's-level programs that are in demand by employers. Notable examples among APC member colleges include Monroe College's Master's in Public Health (M.P.H.) program and LIM College's Master's in Professional Studies (M.P.S.) in Fashion Merchandising and Retail Management, Fashion Marketing, and Global Fashion Supply Chain Management.

Support NYSED's Request for \$15 Million to Support Students with Disabilities.

In May 2017, New York State Education Department's Advisory Council on Postsecondary Education for Students with Disabilities recommended – and the Board of Regents adopted – a plan to develop a funding proposal in consult with representatives from the four higher education sectors (SUNY, CUNY, independent/non-profit, and proprietary) that would provide much-needed enhanced supports and services to over 79,000 identified students with disabilities attending New York State's degree-granting colleges and universities.

Since the adoption of this plan, the State Education Department has been engaged in collaborative efforts to establish a legislative framework advocating for critical new funding that would supplement (not supplant) any other federal, state or local funding in existence for such purposes. Funding would be allocated by the State Education Department to SUNY, CUNY, independent and proprietary colleges in a proportionate manner according to the number and needs of identified student with disabilities per sector.

We were grateful that last year the legislature agreed and provided \$2 million in funding for this new program. As well, Governor Hochel included \$2 million in funding for this program in her proposed SFY 22-23 budget. **However, the pandemic has demonstrated that these enhanced supports and services are needed by students with disabilities now more than ever and we respectfully request full funding in this year's budget of \$15 million.**

APC member colleges indicated they would use the funding to support students with disabilities in the following ways:

1. Diagnostic testing and assessment: Students often cannot afford the cost of a private psycho/educational evaluation and, therefore, many disabilities remain undiagnosed. Assessment is a key that can open doors, as it provides the documentation required for students to get registered with accessibility services and obtain accommodations to help them reach their fullest academic potential. In addition, it helps students learn more about their strengths and weaknesses and what type of work may be best for them. We currently don't have the staffing or resources to offer diagnostic testing. We have referred students to outside resources and often don't hear back from them because they could not afford the evaluation. This could be an excellent additional service to provide our students.
2. Provide more in-depth training for faculty to create more accessible courses with a focus on Universal Design. The training would provide faculty with the tools to incorporate inclusive strategies in their teaching and enhance the design and delivery of instruction to our diverse population of students.
3. Provide opportunities to increase and expand faculty and staff training including online options for continuous learning. Some examples might include sensitivity training, awareness training, training on existing and new regulations, and even basic considerations such as color-blindness and faculty instruction.
4. Improving the identification process to identify students with disabilities by developing and implementing a tracking system to identify students shortly after they are admitted to the College. Purchasing a tracking software could assist with this and allow institutions to reach students in need of services as soon as possible.

Expand the Nurses For Our Future Scholarship to include students attending all nursing programs registered by the State Education Department.

In November, 2021 Governor Hochul announced a new Scholarship Program called the Nurses For Our Future Scholarship that would cover tuition for 1,000 students working towards their RN or BSN degrees. The proposal was offered in an effort to help address the shortage in healthcare and lack of workers in hospitals around the state. As proposed, the assistance is only available for students attending SUNY or CUNY institutions. **APC applauds the Governor's commitment to meeting the healthcare workforce needs in New York, but would ask that the program be expanded to include students that are enrolled in any nursing program registered by the State Education Department.**

There are currently over 700 students attending APC member colleges that are working towards their RN or BSN degree. The following APC member institutions have nursing programs approved and registered with the State Education Department:

- Bryant & Stratton College – North Syracuse and Henrietta Campuses
- Monroe College
- Swedish Institute

As well, amidst the pandemic, **Plaza College** was awarded approval for a Bachelor of Science in Nursing. Plaza College's Center for Healthcare Simulation began construction in September 2021. The 5,000 square-foot suite features innovative, high-fidelity technology that allows students to practice skills development and high-risk, low-frequency scenarios in an educational, yet realistic patient care setting. Working in the simulation center is an essential bridge between the classroom and clinical environments. The experiences gained in these laboratories enable students to develop and perfect patient care skills crucial to shaping expertly-prepared registered professional nurses ready to enter the workforce aiding the national shortage of nurses. The first cohort of nursing students will begin at the college in January 2022.

Ensure Continued Parity Across All Sectors of Higher Education:

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 a strong, positive economic impact across the State.

Despite this history, there are areas where proprietary colleges are excluded and we ask for your consideration and support in the following areas:

Expand the Higher Education Program Approval Proposal to Include Proprietary Colleges.

During the FY2022 legislative session a proposal was developed to streamline the process for the approval of higher education degree granting programs. This proposal would automatically deem registered with the State Education Department, any new curriculum or program of study at not-for-profit colleges or universities, SUNY, or CUNY that would not require a master plan amendment, charter amendment or lead to a professional license. New curriculum or programs must be approved by the governing body of the public or not-for-profit college or university chartered by the Board of Regents and have a longstanding accreditation by the Middle States Commission on Higher Education.

While we applaud that the proposal that would streamline the approval process for new programs, we respectfully request that the language be expanded to include program proposals offered by proprietary colleges or alternatively to colleges and universities chartered or authorized by the New York State Board of Regents. Most APC members meet the requirements as outlined, having been in existence for well over 10 years and many have longstanding accreditation through the Middle States Commission on Higher Education. As well, including program proposals from proprietary colleges would further free up State Education Department staff and resources that could be better utilized in other areas.

The following APC member institutions are accredited by the Middle States Commission on Higher Education and would qualify to participate:

- Berkeley College – Est. 1931
- Bryant & Stratton College – Est. 1854
- The College of Westchester – Est. 1915
- Five Towns College – Est. 1972
- Jamestown Business College – Est. 1886
- LIM College – Est. 1939
- Monroe College – Est. 1933
- Plaza College – Est. 1916
- School of Visual Arts – Est. 1947

New academic programs, across all sectors, grow out of a need arising in a local community. Any effort to streamline the process would ensure that colleges are able to enroll students in an innovative program that local employers need and want; enable students to get the jobs they need; and the economic conditions in our communities to improve.

Expand ECHS and P-Tech programs to Include Proprietary Colleges.

New York State's ECHS and P-TECH programs are innovative programs through which public school districts partner with local institutions of higher education in order to enable high school students to earn college credits (up to a full associate's degree) while earning their high school diploma – at no cost to the students or their families. While APC fully supports this bill's laudable goal of preserving the ECHS and P-TECH programs for future New York State students, it is concerning that the current bill language would define "institution of higher

education” to include only public and independent institutions – thereby excluding New York State’s entire proprietary sector from participating in these programs.

Proprietary institutions of higher education play an important role in ensuring students across New York State have access to a high-quality, affordable postsecondary education that meets their needs. In some geographic areas of the State, APC member institutions provide some of the only available options to pursue higher education, and many of APC’s member institutions have been recognized for their excellent academic outcomes, especially among low-income and traditionally underrepresented students.

Further, many of APC’s member institutions are proud to work closely with their local school districts and have repeatedly been recognized for their contributions to their surrounding communities. Accordingly, APC believes the exclusion of proprietary institutions from the ECHS and P-TECH programs would only constitute a disservice to students by depriving them of opportunities to advance their education. Further, because institutional partnership decisions under the ECHS and P-TECH programs are made by school districts and inherently tied to an institution’s geographic area, APC believes it would be most appropriate to permit school districts to arrange partnerships with any institution in its local area. School districts are best positioned to evaluate the needs and interests of their students, and should have the discretion and flexibility to partner with local institutions of higher education accordingly.

Definition of the use of the term “University”

APC recognizes the importance of the NYSED’s oversight of higher education institutions. It is that oversight applied equally to all degree granting higher education institutions in New York State that makes our higher education system so robust. Recently, the Board of Regents approved changes to the definition of “university” to align more with national and international definitions, but we need to also evaluate how to apply the terms universally within New York’s Higher Education system.

Currently, under Rules of the Board of Regents Part 3.29, proprietary degree granting higher education institutions may only use the term “college”. Proprietary colleges have degree granting authority but are not chartered by the Board of Regents or special act of the Legislature and therefor may not use the term “university”.

The recent changes to the term “university” will increase the number of degree granting higher education institutions who are authorized to use that term in their name. As such, these institutions will be more aligned to their national and international competitors. Unless additional amendments to regulations are made, some proprietary degree granting higher education institutions in New York State will not be authorized to use the term even though they may meet the new definition.

APC recommends that the Board of Regents submit additional amendments to align the terms across all degree granting higher education institutions. The Regents should be proud of their treatment of proprietary colleges and should continue to support these institutions in a way that maintains quality standards but also enables them to compete nationally and internationally. The Regent’s proposal related to the definition of “university” should be extended to proprietary colleges and those that meet the requirements should have the option to use the term.

Conclusion

Like most institutions, APC member colleges spent much of the pandemic in a constant state of adaptation and change in response to the continually evolving landscape. As our colleges prepare for the future, it is clear that those plans will be influenced by the lessons we have learned through this pandemic. The challenge we all will face as we move forward will be to continue to identify ways in which we can make education and employment opportunities more accessible while retaining excellence, transparency and accountability.

We appreciate your consideration of our proposals and look forward to working with you.

Contact Information:

Donna Stelling-Gurnett – Association of Proprietary Colleges
Phone: (518) 437-1867

Janet Silver, Heather Evans, or Julie Marlette – Hinman Straub Advisors
Phone: (518) 436-0751



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