

APC Colleges
New York's Workforce Solution
Testimony delivered to the New York State Division of Budget by
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Introduction

Good morning. My name is John Staschak I am President & CEO of Bryant & Stratton College. Today I am representing both my college and the Association of Proprietary Colleges (APC Colleges).

APC Colleges are degree-granting colleges that have locations across the state from Buffalo to the Bronx, Jamestown to Rochester, Syracuse, Utica, Albany and the entire New York metropolitan area.

I'm here today to discuss the proprietary sector, its role in helping solve New York's workforce issues, how we contribute to the State's bottom line and offer a recommendation for one portion of the budget that will help reduce the social services line of the budget and increase tax revenues .

Today, I will discuss four points about the proprietary sector relevant to the upcoming budget year:

1. The proprietary sector is the only sector that focuses exclusively on preparing students for the workforce;
2. Proprietary colleges are the most diverse of any sector;
3. Proprietary colleges are the only sector of higher education that pays taxes and we are the sector that is least reliant on State and Federal subsidies;
4. Proprietary college students need reform of the Tuition Assistance Program (TAP) to help them succeed. TAP reform will increase the number of tax-paying NYS residents while reducing dependence on social programs.

Preparing Students for the Workforce

Whether it is preparing students to work as a manager in the health field or in a hotel, as an accountant or an artist, as a fashion designer or a firefighter, making sure our graduates are ready to work in New York State is what we do. And we do it well.

At Bryant & Stratton, like all APC colleges, we are proud to have a mission that focuses on preparing our students for the workforce. We have been in business for 154 years, and for all that time we have been studying the economy, watching trends, and making sure our graduates are ready for meaningful careers when they graduate.

While each of the four higher education sectors graduate students who will take many different career paths, only the proprietary sector has a mission that is exclusively focused on graduating students prepared to go to work.

APC College members report successful job placement after graduation as high as 98%.

Why?

- We are uniquely set up to respond quickly to the changing needs of industry.
- Our academic departments work hand in hand with the businesses that employ our graduates to make sure our graduates are prepared.

In 2005, APC Colleges graduated more than 10,000 students – 7,580 with an associate degree, 2,683 with a bachelor's degree and 273 with a master's degree. We offered over 60 degree programs ranging from technology to fashion, medical specialties to management and the service industries.

Diversity

Educating New York State's diverse population is the future for all colleges and universities and the future of our economic success. Proprietary colleges in New York have tremendous experience and expertise working with a diverse student body. We serve more than 40,000 students across the state.

- Our student population is the most diverse of any of the four sectors.
- We serve the largest percentage of financially needy students.
- Over 52% percent of our students enrolled in 2 and 4 year programs are Black and Hispanic, compared to 49% at CUNY, 16% at independent schools and 15% at SUNY.
- National statistics show that the proprietary sector grants 38 percent of its degrees to minority students as compared to 19 percent of degrees granted at public colleges and 16 percent of degrees granted at private not-for-profit colleges.

Paying Taxes and Lack of Government Subsidies

When we look at proprietary colleges as part of the overall economic picture it is important to understand that not only are we graduating students who go to work here in New York, but we are also prime examples of the private businesses that the State wants to cultivate and maintain. We are active and contributing members of our communities.

Since the early 1970's, members of our Association have granted degrees to hundreds of thousands of students, paid billions of dollars in salaries and benefits to thousands of employees, paid millions of dollars in business, property and sales taxes and invested millions more in our campuses. All this was done without direct government subsidies to our colleges.

Proprietary colleges receive no direct government subsidy. According to a study by the Imagine America Foundation, nationally, colleges in the other sectors receive a subsidy of approximately \$22,000 per year in state and federal aid per student. Proprietary colleges receive funds awarded to students and brought to the college when the student enrolls. This amounts to an average of \$6,500 per student per year in student assistance. Of that \$6,500, **every penny** goes to the student for tuition and expenses, none of it subsidizes our operations, new buildings or special programs. Our colleges represent a substantial savings to taxpayers.

- A snapshot of just ten of the 30 APC Colleges from across the state found:
 - Nearly \$100 million in capital investments in the past 5 years
 - Over \$130 million in payroll for 2006
 - More than 4,000 employees
 - \$18 million in institutional scholarships to students in 2006

TAP Reform Recommendations

Make Part-Time TAP Available To All Students

It is unreasonable that students attending SUNY, CUNY and Independent colleges receive part-time TAP, but proprietary college students are excluded. For our students, many of whom are working adults that are supporting families while they attend college, going to college on a traditional semester schedule is not an option. Instead, they attend college on a part-time basis, year-round. In order for them to afford to attend college, they need access to part-time TAP funds.

Make TAP Available to Fiscally Needy Independent Students

Secondly, we need to change the TAP funding schedule for independent adults. Currently, those who are single and childless must earn less than \$10,000 in net taxable income a year to be eligible for even a small TAP award, yet dependent students are eligible for TAP with a net taxable income of \$80,000. This is equivalent to telling adults who are currently living in poverty that they are doomed to stay there.

Increase the Maximum TAP Award

The maximum TAP award has been \$5,000 per year since 2000. The TAP award levels have not kept pace with inflation or the increasing tuition costs. This is not a formula for jump-starting New York's economic engine, but rather a recipe for encouraging the cycle of poverty that has entwined our state for far too long. If the Program is to serve its intended purpose of increasing students' accessibility to higher education, the award

levels should be increased enabling more people to become better-skilled, competent employees.

TAP is the only investment New York State makes in our students, our colleges are entirely responsible for everything else including staff and infrastructure. While the students themselves bring their state and federal financial aid packages with them, these aid packages are portable if students choose to attend another college. We only receive this money if students enroll in our colleges, so our business model remains the same. Deliver a college education that produces results for our students. We do not receive building aid for our campuses, or support for research or contributions towards the salaries of our faculty, so we ask that you consider investing in our student.

TAP is more than money for college. TAP is truly an investment in human capital with a high benefit to cost ratio that produces an end product – educated citizens. These people are critical to the success of New York State's economy and a free society. TAP may correctly be called the force that drives the State's economic engine. Without an educated population we face a certain future of escalating public costs and social problems. We believe there is a direct correlation between education level and the number of people receiving social services including welfare, Medicaid and food stamps. If we can move people away from reliance on social services, education will have succeeded.

While it is well documented in numerous scholarly journals and public studies that those who graduate from college earn more money than those who do not, it is even more important to look at the wider impact of that same education. Clearly the graduates themselves and their families benefit from the increased income; however the advantages expand exponentially when you look at the effect their newfound spending power has on their local economies and tax base.

Thank you