

APC Colleges
New York's Workforce Solution
Testimony delivered to the New York State Division of Budget by
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November 27, 2007

Introduction

Good afternoon. My name is Michael Sattler, and I am Director of the Syracuse campus of Bryant & Stratton College. Today I am representing both my college and the Association of Proprietary Colleges (APC Colleges). With campuses in Buffalo, Rochester, Syracuse and Albany, Bryant and Stratton College has been an educational fixture in New York State for more than 150 years.

APC Colleges are degree-granting colleges with 30 locations across the state on 36 campuses from Buffalo to the Bronx, Jamestown to Rochester, Syracuse, Utica, Albany and the entire New York metropolitan region.

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

The first is that the proprietary sector is the only sector that focuses exclusively on preparing students for the workforce. While each of the four higher education sectors; proprietary colleges, SUNY, CUNY and independent colleges, 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. That is why we are able to place more than 90% of our students in jobs after they graduate.

Economic development efforts in New York are focused on bringing in new businesses and expanding existing businesses. If we are to succeed, then there must be a trained and available workforce. The skills our students learn are reflective of the jobs available because we work with employers every day to ensure that our graduates are ready to hit the ground running.

Secondly, our student population is the most diverse of all the sectors. 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. They are also the most financially needy. This means that by graduating from one of our colleges, many of our students who had been reliant on government funded programs will move from living in poverty to becoming adult taxpayers. Reducing social service payments is important for a strong budget.

Third, 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. Every year we employ thousands of people, pay millions in sales and property taxes and invest millions more in our campuses. We do not rely on government subsidies or government funded economic development packages, instead we contribute significantly to New York's bottom line.

- 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

Lastly, we would like to recommend that the Department of Budget strongly consider reforming the Tuition Assistance Program to help our students. TAP is the only investment New York State makes in our students. 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. 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 students by:

Making 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. Our students, many of whom are working adults that are supporting families while they attend college on a part-time basis, need part-time TAP to afford college.

Making TAP Available to Fiscally Needy Independent Students

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.

Increasing 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 tuition costs.

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 and our budget will benefit.

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