



---

## The Education Trust–New York

To: The Honorable Andrew M. Cuomo  
Governor of New York

From: The Education Trust–New York

Date: December 15, 2017

Re: Memorandum in opposition to bill A7697/S5891, an act to amend the education law, in relation to the enhanced tuition awards

---

The Education Trust–New York submits this memorandum in opposition to bill A7697/S5891, a bill seeking to amend the education law and allow for-profit higher education institutions to participate in New York State’s enhanced tuition awards program.

As an organization committed to eliminating the gaps in equity, opportunity, and achievement that hold back too many students from reaching their full potential, we support the state’s goal of improving college access, affordability, and completion. As a result, we are concerned that the expansion of the enhanced tuition awards program to include for-profit degree-granting institutions without any restrictions based on program quality and student outcomes will send the wrong message to New York college students and lead to increased enrollment at institutions that have a weak track record of graduating New York State college students.

The enhanced tuition awards program was established to provide additional tuition assistance for middle-class families who attend independent college and universities, as a complement to the new Excelsior Scholarship program. According to the New York State Education Department, 69% of first-time full-time students at independent colleges and universities complete a Bachelor’s degree within six years. At proprietary schools, the comparable 6-year completion rate is less than 47%.<sup>1</sup>

In addition, students at proprietary 4-year institutions are more likely to take out loans, to leave school with higher average debt, and to default on their loans than their peers at public and independent institutions.<sup>2</sup> Further, New York has 10 Associate’s and Bachelor’s degree programs at five proprietary institutions that would fail the federal Gainful Employment test due to extremely high debt-to-earnings ratios based on the most recent publicly available data.<sup>3</sup>

---

<sup>1</sup> New York State Education Department, Office of Research and Information Systems. Accessed 11/14/2017. See: <http://www.highered.nysed.gov/oris/gradrates/bysector/Baccalaureate1stTime.htm>.

<sup>2</sup> Center for Responsible Lending. See: <http://www.responsiblelending.org/map/pdf/ny.pdf>.

<sup>3</sup> U.S. Department of Education. See: <https://studentaid.ed.gov/sa/about/data-center/school/ge>. Excludes programs that are no longer enrolling new students.

We recommend that the state include strong student and consumer protections in any legislation expanding the enhanced tuition awards program in order ensure that families' and taxpayers' investment are likely to lead to a degree and the lifelong opportunity that it bestows.

For the above reasons, we urge you to veto bill A7697/S5891.