

**Strengthening the Legislative and Regulatory Accountability of For-Profit School Sector of Higher Education**

Whereas, the for-profit sector of higher education has seen explosive growth in the last decade—while overall postsecondary enrollment increased 31 percent between 1998 and 2008, for-profit postsecondary enrollment has increased 225 percent during the same time period; and

Whereas, for-profit institutions of higher education have increased their share of all undergraduates enrolled in higher education from 2 percent in 1990 to 8 percent in 2007 and nearly 10 percent today; and

Whereas, in 2007-08, students at for-profit colleges and universities drew 21 percent of all Pell grants, even though they only comprised 8 percent of undergraduate enrollments; and 40 % percent of all TAP grants in NYS were dedicated to non-profit and for profit colleges, in that same year CUNY and SUNY students represented 65% of the recipients but received only 55% of TAP dollars; and

Whereas, the average cost of attending a for-profit institution is twice as much as in-state tuition at public four-year institutions and more than five times as much at public two-year institutions; and

Whereas, students at for-profit institutions borrow the most for their education, with nearly 30 percent of students borrowing at least \$40,000; and

Whereas, according to the college board, the average debt load of bachelor degree recipients at for-profit institutions was \$32,653 in 2007-08 as compared with \$22,375 at private, not-for-profit institutions and \$17,700 at public four-year institutions; and for two-year degree recipients, the average debt load for those who attended for-profit institutions was \$18,783, as compared with \$7,125 at public two-year institutions; and

Whereas, one in five for-profit school students default on their federal loans—44 percent of all defaulters attended for-profit institutions, even though just 8 percent of all students attend for-profit schools; and

Whereas, some for-profit institutions have invested as much as 20 percent of their operating budgets in aggressive marketing campaigns that target and recruit low-income students; and

Whereas, there are many instances of improper conduct on the part of for-profit institutions, including targeting homeless *shelters and veterans* returning from Iraq and Afghanistan in their recruitment efforts, paying \$78.5 million to settle a whistleblower False Claim Act lawsuit and paying another \$9.8 million to the Department of Education to resolve claims of paying improper incentive compensation to its recruiters; and

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I hereby certify that the above resolution was approved for submission to the 2008 NYSUT Representative Assembly by the:

Executive Council

at a meeting held on

January 13, 2011

Signed:

*Barbara Bowen*  
(President)

Local 2334

NYSUT Local or Retiree Council #

Local or Retiree Council Name:

Professional Staff Congress/CUNY

Local or Retiree Council President's E-mail address:

bbowen@pscmail.org

Whereas, for-profit college officials pressured applicants to falsify financial aid forms, sign enrollment contracts before they could speak to financial aid officers to clarify costs; and

Whereas, there have been several cases in which for-profit institutions have purchased financially insolvent institutions of higher education and are awarded accredited status without having to undergo the normal accreditation process, thereby shielding the quality of their educational offerings from professional and public scrutiny; and

Whereas, the for-profit education business model typically relies on an un-unionized and almost entirely contingent, at-will workforce that has little to no job security, academic freedom, or voice in institutional decision-making; and

Whereas, NYSUT has long played a leading role working with other organizations to ensure that state and federal legislation and regulations limit fraud and abuse in the for-profit sector and provide greater protection from high-pressure and deceptive sales tactics for educational programs of little or no benefit to them; and

Whereas, regulations currently under consideration by the U.S. Department of Education would clarify and strengthen the prohibition on paying "incentive compensation" to student recruiters and define "gainful employment" in a way that is measurable, enforceable and protects students from incurring excessive student loan debt; and

Whereas, these practices and outcomes are being publicly debated by the Senate and that this discourse is likely to lead to new regulations and legislation; therefore

Be it resolved, that NYSUT monitor and disseminate information about the practices of for-profit institutions of higher education as well as the impact of those practices on students, both educationally and financially; and

Be it further resolved, that NYSUT gather information about the best regulatory practice and advocate for legislation and regulations that safeguard the educational and financial success of students at for-profit institutions, particularly regulations that ensure such students achieve their educational goals without incurring insurmountable debt; and

Be it further resolved, that NYSUT call for public hearings on the record of for-profit institutions of higher education in effectively serving the educational, career and financial interests of its students; and

Be it further resolved, that NYSUT advocate for a more transparent and quality-driven accreditation process for for-profit institutions in New York State, particularly in terms of preventing such institutions from "purchasing" the accreditation that was previously awarded to a public or private nonprofit institution; and

Be it further resolved, that NYSUT call for practices that protect excellence in higher education—a corps of full-time tenure, due process, academic freedom, shared freedom—be extended to these kinds of institutions, along with the benefits of unionization.

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