

**Comment of University Faculty Senate, City University of New York on
*Program Integrity; Gainful Employment (Document ID ED-2010-OPE-0012-0001)***

The City University of New York (CUNY) has the largest urban college and university population in the country, with 6,500 full time faculty, thousands more part time faculty and over 250,000 students. CUNY, whose roots as a public university go back to 1849, has over four decades of experience in taking students from associate level education through graduate school. Our students come from (and often head) families living on the poverty line. Federal student aid has been essential for them to become successful employees, employers, taxpayers, heads of households and parents of children who go to prestigious colleges.

Today, students at public colleges are under financial strain trying to complete their educations. Yet the proposed regulations let for-profit colleges continue to siphon off massive aid money while loading low-income students with unsustainable debt.

It distorts values and wastes scarce student aid funds for the federal government to inadequately support students at public institutions that have proven their worth for decades, while supporting for-profit colleges that:

- operate for the benefit of stockholders and the salaries of a few administrators;
- lack real faculty and thus serious curricular oversight; and
- do not produce solid graduates who can repay staggering loans.

You can see the for-profits' ads on New York City's subways, offering low-quality degrees at [enormous costs](#), with [tuition averaging \\$14,000 a year](#). According to the *New York Times*, with less than 10% of students, the [for-profits get nearly 25% of aid](#), including \$4.3 billion in Pell grants in 2008-09. By way of comparison, at the end of July, Congress was deadlocked on how to address a [\\$5.7 billion Pell shortfall](#).

Federal subsidies have allowed for-profits to attain [operating profit margins that can reach levels of 37%](#) -- among the highest for large American companies. But — despite the strident subway advertisements — the data suggests that students don't do well. The July 11 *New York Post* reports that 23.1% of the 2,800 students who have graduated or dropped out of for-profit Monroe College since 2007, [have defaulted on government-backed loans](#). The comparable figure at CUNY's Lehman College: just 6%.

The proposed regulations would only cut off subsidies for the [bottom 5%](#) of for-profit

programs. Instead, the regulations should turn the spigot off for all the bottom-feeders among the for-profits. Federal subsidies should go to colleges that provide a real education for their students.

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