

**Higher Education Study Committee
Citizens League Presentation
Minnesota Career College Association**

May 21, 2004

Hello, my name is Jeanne Herrmann and I'm the director of operations for the Minnesota School of business/Globe college system. Today, I am here as the Chair of the Minnesota Career College Association otherwise referred to as MCCA. We are a volunteer, member driven association of private career colleges in our state. Our association is dedicated to improving the visibility of our member schools through three main areas of focus. We have three committees chaired by member school personnel to concentrate in the areas of member communications and public relations, legislative advocacy and professional development of member institution employees. We are grateful for the opportunity you are providing us today. Thank you for allowing us to share our story with you.

Our member schools have a long, rich history in this State. We have spent well over 100 years providing career focused education to the men and women of our state and in turn, have provided trained employees for the workforce of Minnesota. I'd first like to turn your attention to the information in front of you. You will find a brochure that contains many facts on career schools, both on a local level and national level. There is also a study conducted by an independent agency that examines the career college sector on a national level. Next, you will find a copy of the PowerPoint presentation I will be going through today. It contains facts from member schools and will provide you a better understanding of who we are and what we do. And finally, you will find a Fact Sheet that summarizes information provided by our member schools.

What I would like most to do today is to provide you enough information regarding the successes of our students and the training we provide, to help you better understand how imperative it is for our state to continue to support a student's right to choose and how valuable the services we provide are to the State of Minnesota. Student success is often determined by the environment, and many students flourish in the smaller, career focused environment our institutions can provide.

Since the inception of the State Grant program over 30 years ago our students have been eligible for this funding. Even that many years ago, our lawmakers and sector representatives had the foresight to understand and place importance on all educational sectors being represented in the state grant funding. They believed in all sectors having a role in educating our students, providing the funding so students could make the best choice for the individual, and the knowledge that all sectors are important in educating Minnesota.

It is also important to note, that our member institutions are eligible for federal grant and loan programs as well. All of our institutions are accredited by agencies that are

approved by the US Department of Education and therefore, our students are eligible to participate in the Federal Pell Grant and Stafford Loan programs. Along with this eligibility comes the oversight of the federal government, accrediting agencies and the Minnesota Higher Education Services Office. This regulation has always been welcome by our member schools. We are dedicated to providing career focused education that meets the demands of today's workforce and embraces change at all times to ensure program viability and employment of our graduates. We are focused on meeting the needs of our state's workforce.

We are proud to be part of a state that places such importance on education in the well-being of the state. The formation of this Higher Education Study Committee to look at the role of higher education in the state attests to the commitment of our current leaders. MCCA looks forward to working with the group and our state legislature to continue to bring the focus of our future to our students.

In speaking with Mr. Kershaw, he asked us to answer the following questions; 1) who are we, 2) why are we important, 3) what challenges do we see globally, and 4) what is our sector looking for. During the PowerPoint presentation I hope to provide you a much better idea of who we are. But for now, I'd like to focus on the question of why we are important and what is the return on investment for the State of Minnesota.

Because our sector is run by individual owners or publicly traded companies, we have the luxury of quickly responding to market needs. We are extremely customer sensitive. Our two main customers are our students and our employers. Not only are we driven to provide a successful experience for our students but we are also keenly aware of our employers needs. We make necessary program changes to meet industry demand, but more importantly have the ability to quickly add programs where worker shortages exist. Many of our member schools are currently developing programs to meet the shortages we are feeling now, including nursing programs, service management and teacher education programs.

As far as return on investment, national studies have shown that a career college graduate will have paid enough taxes to repay the public cost of his or her education within four and half years. On the other hand, it will take more than 8 years for the community college graduate to repay his or her debt. In a recent publication titled *For-profit higher education: Developing a World-Class Workforce*, by Sperling and Tucker, it is noted that the annual cost to each tax payer of students attending a public school is significantly more than for students attending a for-profit school.

The challenges we face are the same faced by all sectors of education, business, and industry. With an ever-increasing demand from customers to out-perform, our schools must be ready to meet this challenge. We must provide modern facilities, high quality faculty and administrative support, up-to-date equipment and ever-changing curriculum without the support of subsidies. We must be able to meet pay standards of highly skilled employees to retain and provide top quality education to our students. We must remain profitable to meet Department of Education standards of school viability. And we must

constantly review policies and procedures to remain in compliance with state, federal and accreditation criteria.

After the conclusion of the PowerPoint presentation, I would like to more formally address what the career college sector would like to see as a result of the very important efforts of this study committee.

PowerPoint Presentation

Conclusion:

Based on the information we have shared with you today, our long, rich history of providing quality training and quality employees for the workforce of Minnesota, and our commitment to continue to embrace change to meet the demands of an ever-changing workforce, our desires are really quite simple.

We'd like to be considered an equal provider in the higher education arena. We would like to see a single definition used in relation to higher education. More specifically, we would like the opportunity to have our association member schools fall under Statute 136, which is the registration process used for all other degree granting postsecondary institutions in our state.

We would like to continue to see student choice be a priority in this state. It's important to remember that many students come to us (nearly 50%) because they have not been successful in other sectors or would like to add career specific training to their general education degree. Student access to all sectors of higher education in our state must remain a priority.

And most importantly, we would like to have continued eligibility in the state grant program for our students. I hope that we have been able to prove today that it is a great return on investment for the people of Minnesota.

Thank you once again for the time you have provided us today.