

THE COST TO STATES OF THE GAINFUL EMPLOYMENT RULE: STATE-BY-STATE ESTIMATES

November, 2014

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Introduction and Executive Summary

As the federal government increases its regulatory restrictions on proprietary postsecondary institutions, states are likely to face steep bills to educate the students attending those schools who may have to enroll in public institutions to advance their education.

In a report published in March, we showed the potential size of the financial liability faced by California, New York, Ohio and Texas.² By enrolling almost 1.4 million full-time equivalent students we estimated that proprietary institutions in these four states saved their taxpayers as much as \$1.7 billion per year in state appropriations. Since the release of that report, much has taken place at the U.S. Department of Education (ED), and among policymakers and regulators. These developments warrant an update of the study to include the impact on all 50 states and the District of Columbia of possible large scale restrictions on access to proprietary colleges and universities.

Among these developments was ED's release in March of its Gainful Employment Notice of Proposed Rulemaking (NPRM).³ According to ED's accompanying press release, the proposed

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The authors, who are solely responsible for the content of this study, want to thank the following people who reviewed earlier drafts and made many constructive comments and suggestions: Raymund Paredes (Commissioner, Texas Higher Education Coordinating Board), Thomas Weko (Managing Researcher, Education Program at American Institutes for Research; former Associate Commissioner at NCES and Director of the Policy and Program Studies Service in the USDOE Office of Planning, Evaluation, and Policy Development), John Thelin (University of Kentucky [Lexington] University Research Professor, Professor of Educational Policy Studies), Eric Bettinger (Stanford University, Associate Professor, Graduate School of Education, Associate Professor of Economics, Graduate School of Business), Thomas Ehrlich (Visiting Professor, Stanford University, Graduate School of Education, former Senior Scholar at the Carnegie Foundation for the Advancement of Teaching and president of Indiana University).

² Klor de Alva, J., & Schneider, M. (2014) *Do Proprietary Higher Education Institutions Generate Savings for States? The Case of California, New York, Ohio and Texas*. San Francisco: Nexus Research and Policy Center. Retrieved from <http://www.nexusresearch.org>.

³ <http://www2.ed.gov/policy/highered/reg/hearulemaking/2012/notice-proposed-rulemaking-march-14-2014.pdf>.

regulations would affect “about 1 million students [who] are enrolled in programs that would either fail or fall in the zone for improvement under the accountability metrics.”⁴ To the extent that ED closes these programs, we reasoned that these students would need to find other institutions in which to enroll, primarily state supported ones.⁵

Three months after the release of the proposed regulations, ED put a 21-day hold on Corinthian Colleges, Inc.’s access to federal student financial aid, thereby precipitating the collapse of the three cash strapped postsecondary systems owned by Corinthian. This left 72,000 students in limbo.⁶ Other proprietary institutions, including giants such as ITT Technical Institute,⁷ are in the crosshairs. Although many non-profit private institutions are eager to recruit the new traditional students that today make up the majority of college students, most of the displaced students wishing to continue their postsecondary education will have few options—for reasons of distance, lack of convenient offerings, limited student services, and problems with credit transfer—beyond public institutions. This potential surge in enrollments will saddle state taxpayers with the appropriations needed to educate these displaced proprietary school students or lead to raising the tuition of all students to cover the costs of the increased enrollments.⁸

More recently, on October 31 ED published its final Gainful Employment (GE) regulations.⁹ The final version eliminated repayment rates as a consideration for a program being at risk; therefore, instead of the earlier estimate of 1 million at-risk students, ED estimates that some 840,000 students were enrolled in 2012 in programs that will either fail or fall in the zone for needed improvement.¹⁰ While lower than the initial estimate of 1 million, this is still a

⁴ <http://www.ed.gov/news/press-releases/obama-administration-takes-action-protect-americans-predatory-poor-performing-ca>.

⁵ Presentation to the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget, October 20, 2014, available at <http://nexusresearch.org>.

⁶ See http://online.wsj.com/news/article_email/obamas-corinthian-kill-1406327662-IMyQjAxMTA0MDIwNzEyNDcyWj?tesla=y.

⁷ See <http://www.marketwatch.com/story/the-consumer-financial-protection-bureau-proving-its-the-right-agency-for-the-job-when-regulating-student-loans-2014-08-20>

⁸ See, for example, http://chronicle.com/article/Corinthian-s-Crisis-Raises/147325/?cid=wb&utm_source=wb&utm_medium=en. We recognize that most projections indicate declines in enrollments in many states and regions; consequently, many public and non-profit institutions may be keen to recruit the potentially displaced students. However, we have no way to quantify either the percentage of displaced students who might seek to attend those institutions or the accommodations states are likely to make to integrate displaced students in their institutions without incurring additional costs. This implies that our calculations may overstate the costs to states. However, as we note throughout the study, we have excluded in our calculations other types of costs typically included in a cost-benefit analysis. For example, we have not included capital costs for new buildings or technology infrastructure and we have not added the cost of raising the needed additional public expenditure. Standard computations of the cost to raise these funds range from 20 cents per dollar of revenue to as high as 50 cents per dollar, in the estimate of James Heckman, a Nobel laureate in economics.

⁹ <https://www.federalregister.gov/articles/2014/10/31/2014-25594/program-integrity-gainful-employment>; for PDF version see <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>.

¹⁰ <http://www.ed.gov/news/press-releases/obama-administration-announces-final-rules-protect-students-poor-performing-care>

substantial number of students, many of whom will need to enroll in public institutions if they are to continue their studies.

We believe that the federal government and the states, therefore, need to be aware of the financial burdens likely to result from ED policies that restrict or even eliminate a large slice of the proprietary higher education sector. This study aims to provide data needed by federal agencies and states to better understand the extent of that potential financial liability.

In Section 1 of this study we focus on the liability state taxpayers may incur—as a consequence of the implementation of the Gainful Employment Rule—to the extent the roughly 840,000 students enrolled in at-risk programs in proprietary institutions turn to broad-access public universities and community colleges for their education. According to the data provided by ED, there were approximately 125,000 bachelor’s and 493,000 associate’s seeking students enrolled in at-risk programs in 2012.¹¹ Based on these numbers of enrollments, we estimate that the associated appropriations needed to educate in public institutions the students enrolled in the at-risk programs¹² will be nearly \$602 million for those in bachelor’s and nearly \$3.7 billion for those in associate’s programs.

In effect, given the newly published Gainful Employment regulations, the states and D.C. will face a financial liability of nearly \$4.3 billion if the 618,000 degree-seeking students displaced by the new federal regulations chose to continue their studies in public institutions.

This amount is for one year only. An assessment of the impact of additional costs to state taxpayers, for example between five or ten years, would increase the estimated costs to the states to somewhere between \$21 and \$43 billion.

In Section 2 of this report we estimate how much proprietary institutions as a whole save state taxpayers and in so doing we project the potential financial liability of states to the extent that the sector is dramatically reduced or eliminated altogether. While the demise of a sector that educates over 10 percent of America’s postsecondary students seems remote, understanding how much proprietary colleges save states helps to put in context the negative financial effect on state taxpayers of the policies adopted by ED that have the potential to chip away at the sector.

During the five-year period studied in Section 2 of this report, the proprietary sector enrolled nearly 4.7 million full-time equivalent (FTE) students in the 50 states plus D.C. We calculate

¹¹ See Table 1. We have excluded certificate program graduates from our study, making our estimates of state costs lower than they otherwise may be, and perhaps offsetting the potential overestimate noted in footnote 8.

¹² Based on academic year (AY) 2011-2012 IPEDS and the ED numbers—the student figures are based on ED, but the appropriations are based on IPEDS. Note, under the final GE rules, ED does not calculate debt to earnings rates if the Social Security Administration earnings data returned to ED includes reports for records of earnings on fewer than 30 students (see <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, pp. 64951) or if fewer than 30 students completed the program during the two-year cohort period and fewer than 30 students completed the program during the four-year cohort (p. 65009). Therefore, each state may expect a higher actual figure of at-risk students, even those with zero estimated students in at-risk programs.

that this represents a saving of approximately \$28 billion to state and D.C. taxpayers, which, in the sector's absence, could become a \$28 billion liability for the same taxpayers. In short, any significant constriction of the proprietary sector represents a substantial fiscal liability to the states to the extent the states enroll the displaced students in their public institutions.

None of this is meant as an argument for loosening regulations—on Gainful Employment or other matters—that are reasonably aimed at improving the performance of proprietary, independent, and public institutions. ***After all, higher education is no place to store bad apples.***

However, our data should caution state legislators, public officials, policy makers, college administrators, and taxpayers who believe that it is in the best financial interest of taxpayers to shift responsibility for the education of hundreds of thousands of students from the proprietary to the public sector—a sector that is too frequently ill equipped and undercapitalized to handle such an influx.

Finally, this study serves as a reminder to policy makers that when comparing costs between public and proprietary institutions, it is important to consider not just the cost to students and their families represented by the tuition charged by each institution, but also the per-student public subsidy that supports the real cost of education.

Section 1: Measuring the Financial Impact of the Gainful Employment Regulations on States

In this section we describe our methods for estimating the number of students affected by the Gainful Employment Rule, the overall number of students found in each of the individual states, and the additional state/local appropriations that might be needed to pay for the education of those students to the extent they shift from proprietary to public institutions.

It is important to note that we are concerned with current expenditures and do not include the costs for the construction of additional buildings or the expansion of technology platforms required to accommodate fully online instruction for the hundreds of thousands of new students who would potentially enroll in public institutions.

We have specifically left these costs out, not only because they are impossible to quantify accurately, but because declining enrollments in some states are already leaving some public institutions underutilized. Furthermore, many public institutions are now pressing forward with online education programs expected to lessen their education costs per FTE student.¹³

¹³ However, there is already some evidence that overcrowding leads to unproductive enrollments in the public sector and lengthens time to degree. If a student in a proprietary institution would have to enroll in more periods of school to complete their degree, then their aggregated expenditure over time may be even larger, in part offsetting the savings from increased enrollments in underutilized public institutions. See Bound, J., Michael F. Lovenheim, M., and Turner, S. 2010. "Why Have College Completion Rates Declined? An Analysis of Changing

Estimating the Number of Students in Proprietary Institutions in At-Risk Programs in 2012 by State

To estimate the number of students in each state affected by the Gainful Employment regulations, we begin with the data released by ED in October of 2014. In the Federal Register, ED reported that 449,741 students were enrolled in proprietary programs in the zone and another 386,602 in failing ones.¹⁴ Of these, 209,582 were in certificate programs, 492,731 in associate's programs, and 125,073 in bachelor's programs. We use only the counts of degree-seeking at-risk students in our calculations of the potential financial liability of taxpayers. By leaving out the nearly 210,000 students in certificate programs we have reduced substantially the estimate of state appropriations needed to educate all at-risk students.

ED did not release state-by-state counts of students enrolled in at-risk programs, which we need for this work. To generate these state counts, we turned to the 2011 Gainful Employment data released by ED, which did enumerate the number of graduates from at-risk programs in a way that could be aggregated to produce state and national counts of graduates from at-risk programs. From this aggregated data it is easy to generate the percentage of graduates from at-risk programs in each state. Assuming that the *percentage of students enrolled* in at-risk programs is comparable to the *percentage of graduates*, we applied these state shares to the national count of 492,731 associate's and 125,073 bachelor's seeking students in at-risk programs to generate an estimate of the number of at-risk students enrolled in associate's and bachelor's degree programs in each state.

We illustrate our method using data from Illinois—a method we repeated for each state and the District of Columbia.

Estimating associate's degree enrollments in at-risk programs

- There were approximately 77,200 associate's degree graduates in at-risk programs based on the 2011 GE data.
- Of these, 2,823 (or approximately 3.7%) graduated from at-risk programs in Illinois.

- Applying this 3.7% to the 493,000 national count of associate's students in at-risk programs produces an estimate of approximately 18,000 associate's degree students enrolled in at-risk programs in Illinois.

Estimating bachelor's degree enrollments in at-risk programs

Student Preparation and Collegiate Resources." *American Economic Journal: Applied Economics*, 2(3): 129-57 and Bound, J., Lovenheim, M. and Turner, S. 2010. "Increasing Time to Baccalaureate Degree in the United States." *PSC Research Report* No. 10-698. April 2010.

¹⁴ <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, p. 65064, Table 2.21.

- For bachelor's students, there were approximately 29,000 bachelor's degree completions in at-risk programs nationwide according to the 2011 GE data.
- Of these, 6,161 (or approximately 21%) graduated from at-risk programs in Illinois.
- We apply this percentage against our national estimate of 125,000 bachelor's students in at-risk programs, resulting in an estimate of some 26,700 bachelor's degree students enrolled in at-risk programs in Illinois.¹⁵

We repeat this procedure for each state and the District of Columbia. With an estimate of the numbers of at-risk students in each state, our final task is to calculate the added state/local appropriations that would be needed to educate these students in public institutions.

Estimating the Added State Appropriations Needed if Students in Proprietary Institutions in At-Risk Programs in 2012 Attended Public Institutions

To estimate how much each state might have to appropriate to cover the costs of the education of the associate's and bachelor's students if they enrolled in public rather than proprietary institutions, we take the number of students estimated to be enrolled in at-risk bachelor's and associate's programs, separately, and multiply that number by the average state appropriation per FTE student for broad-access four-year public institutions¹⁶ in the state or, for community colleges, by the average state and local appropriation per FTE student.¹⁷

Because financial aid, such as Pell grants (and state grants), goes to students, not to the institutions, the students in the at-risk programs in the proprietary schools would likely be eligible for the same level of federal (and state) financial aid if they attended public institution. Therefore, we do not look at the federal (or state) taxes used to support these students.

In a few states, proprietary institutions receive some appropriations for the benefit of specific students. We take these existing funds into account, subtracting them from our calculations of "additional appropriations" needed to accommodate in public institutions students in the at-risk programs at proprietary colleges.¹⁸ This prevents any "double billing" against state appropriations.

¹⁵ Note seeming discrepancies are due to the numbers being rounded to 00s.

¹⁶ We have used only broad-access public institutions because these are the ones we expect displaced students to enroll in, rather than in "very," "highly" or "most" competitive institutions. See Appendix B, Table B.4 for definitions of the levels of admissions competitiveness.

¹⁷ In Appendix A, using the example of California, we describe in detail how we calculate the number of Full Time Equivalent (FTE) students educated in proprietary institutions who reside in each state and we describe how we estimate costs.

¹⁸ See Appendix B, Table B.3 for the appropriations received by proprietary institutions for the benefit of individual students by state. These appropriations are only subtracted from states with estimated at-risk students, with the exception of Colorado, where selected broad-access institutions reported no appropriations and the subtraction of proprietary appropriations would have resulted in a negative number.

Table 1 presents our national estimates for the number of students in 2012 enrolled in at-risk programs at two- and four-year institutions and the overall amount of appropriations needed to service them in public colleges and universities. Tables 2 and 3 present estimates of enrollments and costs by state.

Once again, it is important to note that these are current, non-capital expenditures only. In effect, we are extrapolating the level of current resources without estimates of infrastructure expansion required to serve additional students. Consequently, we are not presenting data on the number of applications turned down by public institutions that are at or near full capacity.¹⁹ And while proprietary institutions tend to enroll a higher percentage of disadvantaged students than do broad-access public institutions, this study focuses solely on the analysis of average per full-time equivalent student costs, not adjusting for any further costs institutions might incur to educate disadvantaged students.

Table 1. Total Number of Students in At-Risk Programs in Proprietary Institutions in 2012 and Associated Appropriations Needed to Educate These Students in Public Institutions. Based on AY 2011-2012 IPEDS and ED Numbers*

| Degree | Number of Students in At-Risk Programs in Proprietary Institutions** | Associated Appropriations Needed to Educate These Students in Public Institutions |
|-------------|--|---|
| Bachelor's | 125,000 | \$ 601,829,000 |
| Associate's | 493,000 | \$ 3,676,487,000 |
| Total | 618,000 | \$ 4,278,316,000 |

* Under the GE rules, ED does not calculate debt to earnings rates if the Social Security Administration earnings data returned to ED includes reports for records of earnings on fewer than 30 students (see <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, p. 64951) or if fewer than 30 students completed the program during the two-year cohort period and fewer than 30 students completed the program during the four-year cohort (p. 65009). Therefore, each state may expect a higher actual figure of at-risk students, even those with zero estimated students in at-risk programs.

** The numbers of students and the dollar figures rounded to 000s.

The focus of this exercise is on students in degree granting programs, leaving aside the large number of students in proprietary institutions seeking certificates. ***If these certificate seeking students were to enroll in public institutions, as would most likely be the case, the costs to state/local taxpayers would be even higher. Furthermore, the potential liability for states in Table 1 is for one year only. An assessment of the impact of additional costs to state***

¹⁹ As previously noted, not all states are facing capacity constraints; however, some major states are. See, for example, California, where California State University trustees have raised the possibility of being forced to allow only transfer students into the CSU system, <http://www.latimes.com/local/education/la-me-cal-state-trustees-20140910-story.html>.

taxpayers, for example between five or ten years, would increase the estimated costs to somewhere between \$21 and \$43 billion.²⁰

By ED's own calculations, over a decade the GE regulations could lead to displacing millions of students. The overwhelming majority of them would be studying in proprietary institutions and most would likely end up in a public two- or four-year college. In response to the massive dislocation of students expected to result from the Gainful Employment regulations, ED acknowledges that "State and local governments may experience increased costs as enrollment in public institutions increases as a result of some students transferring from programs at for-profit institutions."²¹

Commenting on our previous study of the financial effects of the proposed GE rule in four states,²² ED correctly asserts that our study "does not reflect the expected effect of the regulations as the majority of programs, even at for-profit institutions, are expected to pass the D/E [debt to earnings] rates measure and many students who switch programs are expected to do so within the for-profit sector."²³ Indeed, our concern has been only to try to quantify the costs to states of students in at-risk programs that shift to public institutions. To do so we assume that all students would transfer to public institutions because there is no way to quantify how many would be likely to transfer to either programs in the proprietary sector that passed the Gainful Employment regulations or to private non-profit institutions.

ED goes on to admit that,

The Department recognizes that a shift in students to public institutions could result in higher State and Local government costs, but the extent of this is dependent on student transfer patterns and State and local government choices.

²⁰ Our original estimates based on the proposed, not final, GE regulations, were generally consistent with those found in a report by Charles River Associates, commissioned by the Association of Private Sector Colleges and Universities, which estimated (based on the proposed GE regulations) that at the high end approximately 7.5 million students could be displaced over the next decade (see Guryan, J., Thompson, M. (2014). *Report on the Proposed Gainful Employment Regulation*. Washington, DC: Charles River Associates, available at <http://www.apscu.org/news-and-media/press-releases/upload/Guryan-CRA-Public-Comment2.pdf>). This estimate is somewhat higher than our 6.2 million estimate over the same period using the proposed, not final, GE regulations. Similarly, our estimates using the data in the proposed GE regulations are consistent with those of Mark Kantrowitz, an expert on financial aid, who has estimated (again, based on the proposed, not final GE regulations) that, when weighted by program enrollment, 42 percent of programs at proprietary institutions—representing 1.1 million students in a single year—are at-risk of failing the metrics of the proposed GE rules: "This includes more than one-third of Certificate programs, three-quarters of Associate degree programs, one-fifth of Bachelor's degree programs and one-third of professional degree programs." (Kantrowitz, M. (2014). *U.S. Department of Education Proposes Stricter Gainful Employment Rule*. Retrieved September 10, 2014 from <http://www.edvisors.com/ask/student-aid-policy/stricter-gainful-employment/>.)

²¹ <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, p. 65081.

²² Klor de Alva, J., & Schneider, M. (2014) *Do Proprietary Higher Education Institutions Generate Savings for States? The Case of California, New York, Ohio and Texas*. San Francisco: Nexus Research and Policy Center. Retrieved from <http://www.nexusresearch.org>.

²³ <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, p. 65081.

Further, if States choose to expand the enrollment capacity of passing programs at public institutions, it is not necessarily the case that they will face marginal costs that are similar to their average cost or that they will only choose to expand through traditional brick-and-mortar institutions.... Forecasting the extent to which future growth would occur in traditional settings versus online education or some other model is outside the scope of this analysis.²⁴

In short, it appears that how states deal with the likely burdensome results precipitated by this federal policy is not a major federal concern. However, while the federal government might give potential state costs short shrift, states cannot.

To assist the states prepare for the financial blow that might result from the implementation of the GE regulations, we have estimated the liability they are likely to face. In Table 2, we show the number of students in at-risk programs at the bachelor’s level and the associated state appropriations that would be needed if they sought to continue their education in public institutions. In Table 3, we present parallel information for two-year schools. Because not every state had at-risk programs with enrollments large enough to require their identification as such,²⁵ estimates are missing for some states in the following tables.

Table 2: Estimated Number of Bachelor's Students in At-Risk Programs and Estimated Additional State Appropriations Needed to Educate Those Students in Public Institutions in 2012, by State

| State | Estimated Number of Bachelor’s Students in At-Risk Programs | Additional State Appropriations Needed* |
|-------|---|---|
| AK | - | - |
| AL | 203 | \$ 1,484,000 |
| AR | - | - |
| AZ | 14,171 | \$ 71,110,000 |
| CA | 19,518 | \$ 81,880,000 |
| CO** | 5,144 | - |
| CT | - | - |
| DC | - | - |
| DE | - | - |
| FL | 18,717 | \$ 109,260,000 |

²⁴ <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, p. 65081.

²⁵ As noted in footnote 12, under the final GE rules, ED does not calculate debt to earnings rates if the Social Security Administration earnings data returned to ED includes reports for records of earnings on fewer than 30 students (see <http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, pp. 64951) or if fewer than 30 students completed the program during the two-year cohort period and fewer than 30 students completed the program during the four-year cohort (p. 65009). Therefore, each state may expect a higher actual figure of at-risk students, even those with zero estimated students in at-risk programs.

| | | |
|-------|---------|----------------|
| GA | 3,061 | \$ 8,760,000 |
| HI | - | - |
| IA | 2,061 | \$ 15,544,000 |
| ID | - | - |
| IL | 26,675 | \$ 179,619,000 |
| IN | 15,085 | \$ 65,541,000 |
| KS | - | - |
| KY | - | - |
| LA | - | - |
| MA | 1,368 | \$ 6,393,000 |
| MD | - | - |
| ME | - | - |
| MI | - | - |
| MN | 2,611 | \$ 7,112,000 |
| MO | - | - |
| MS | - | - |
| MT | - | - |
| NC | 520 | \$ 6,201,000 |
| ND | - | - |
| NE | 143 | \$ 847,000 |
| NH | - | - |
| NJ | 165 | \$ 882,000 |
| NM | - | - |
| NV | - | - |
| NY | 3,130 | \$ 14,292,000 |
| OH | - | - |
| OK | - | - |
| OR | 1,334 | \$ 8,082,000 |
| PA | 6,876 | \$ 4,689,000 |
| RI | - | - |
| SC | - | - |
| SD | - | - |
| TN | - | - |
| TX | 1,030 | \$ 3,517,000 |
| UT | 1,805 | \$ 10,709,000 |
| VA | 147 | \$ 219,000 |
| VT | - | - |
| WA | 1,308 | \$ 5,688,000 |
| WI | - | - |
| WV | - | - |
| WY | - | - |
| Total | 125,073 | \$ 601,829,000 |

*Dollar figures rounded off to 000's.

** As noted in footnote 18, the appropriations received by proprietary institutions for the benefit of individual students by state are only subtracted from states with projected at-risk students,

with the exception of Colorado, where the selected broad-access institutions reported no such appropriations, therefore subtracting the proprietary appropriations would result in a negative number. Hence we have left the appropriate cell blank.

As Table 2 shows, of the 125,000 bachelor's degree students enrolled in at-risk programs, our state estimates range from several hundred in Alabama and Nevada to the tens of thousands in Arizona, California, Florida, Illinois and Indiana. This distribution requires explanation.

In this part of the study (Section 1) the distribution of students is calculated without accounting for online students' actual state of residence. For example, all University of Phoenix Online students are counted within Arizona, even though most of these students actually reside in other states. In the rightmost column, where we present our estimate of what the liability could be for each of these states if they needed to educate displaced students, we assume the cost is borne by the state where the students are reported as attending, not where they are actually resident. Therefore, while Arizona shows an extremely high cost to state taxpayers, a substantial part of that cost will likely be borne by taxpayers in other states. Because of the University of Phoenix, Arizona is an outlier; the upward bias in the several other states that have large national online programs will be far smaller. Nonetheless, for many states the additional appropriations required can be quite high. And ***the nationwide total, no matter how it would be distributed when student state residency is taken into account, is almost \$602 million for one year.***

In Table 3, we report our findings by state for students seeking an associate's degree, with the largest concentrations attributed, in some cases for the reason just noted, to Arizona, California, Florida, Indiana and Pennsylvania. We estimate additional state and local appropriations to be the highest in Indiana (over \$1 billion annually) followed by Arizona, California, and Florida (with over \$150 million in potential appropriations needed). ***Nationwide, closing the proprietary two-year programs could present the states with a liability of nearly \$3.7 billion per year.***

Table 3: Estimated Number of Associate's Students in At-Risk Programs and Estimated Additional State Appropriations Needed to Educate Those Students in Public Community Colleges in 2012, by State

| State | Estimated Number of Associate's Students in At-Risk Programs | Additional State Appropriations Needed* |
|-------|--|---|
| AK | - | - |
| AL | 6,342 | \$ 30,012,000 |
| AR | - | - |
| AZ | 64,278 | \$ 405,041,000 |
| CA | 46,594 | \$ 299,296,000 |
| CO | 18,839 | \$ 13,171,000 |
| CT | 1,450 | \$ 9,399,000 |
| DC | - | - |
| DE | - | - |
| FL | 42,903 | \$ 151,919,000 |
| GA | 6,054 | \$ 25,472,000 |
| HI | - | - |
| IA | 22,575 | \$ 105,115,000 |
| ID | 664 | \$ 3,022,000 |
| IL | 18,028 | \$ 105,168,000 |
| IN | 93,322 | \$ 1,761,158,000 |
| KS | 192 | \$ 1,084,000 |
| KY | 3,608 | \$ 9,193,000 |
| LA | - | - |
| MA | 1,539 | \$ 6,954,000 |
| MD | 211 | \$ 1,462,000 |
| ME | - | - |
| MI | - | - |
| MN | 17,185 | \$ 66,951,000 |
| MO | 12,504 | \$ 38,726,000 |
| MS | - | - |
| MT | - | - |
| NC | 1,692 | \$ 12,310,000 |
| ND | - | - |
| NE | 613 | \$ 4,644,000 |
| NH | 932 | \$ 3,412,000 |
| NJ | 307 | \$ 877,000 |
| NM | - | - |
| NV | 709 | \$ 4,080,000 |
| NY | 25,705 | \$ 132,106,000 |
| OH | 9,573 | \$ 44,626,000 |
| OK | 2,325 | \$ 11,046,000 |

| | | |
|-------|---------|------------------|
| OR | 15,640 | \$ 104,316,000 |
| PA | 34,850 | \$ 138,956,000 |
| RI | 830 | \$ 3,862,000 |
| SC | - | - |
| SD | 281 | \$ 675,000 |
| TN | 2,465 | \$ 6,526,000 |
| TX | 10,991 | \$ 66,576,000 |
| UT | 4,860 | \$ 17,081,000 |
| VA | 17,530 | \$ 50,540,000 |
| VT | 1,367 | \$ 2,276,000 |
| WA | 3,123 | \$ 14,238,000 |
| WI | 1,846 | \$ 22,623,000 |
| WV | 805 | \$ 2,574,000 |
| WY | - | - |
| Total | 492,731 | \$ 3,676,487,000 |

*Dollar figures rounded off to 000's.

The closing of these programs is expected to take place given the published Gainful Employment regulations. But, as shown by the forced collapse of the admittedly problematic Corinthian Colleges, and the negative statements coming out of the Administration and other critics of proprietary schools,²⁶ the goal may be not just to close these programs but to constrict the proprietary sector altogether.

In the next section we estimate the potential financial liability faced by states if the entire sector, not just 1,400 programs,²⁷ were subjected to regulations that resulted in its collapse. While this approach appears to suggest a remote “what if” scenario, ***the calculations we present below represent, in fact, how much proprietary higher education institutions save state taxpayers by educating the millions of students who would otherwise have to be educated primarily in publicly subsidized, broad-access four-year schools and community colleges.***

²⁶ See, for example, <http://thehill.com/regulation/pending-regs/207807-obama-weighs-crackdown-on-for-profit-college-industry> and <http://www.businessweek.com/articles/2014-09-25/corinthian-colleges-for-profit-and-too-big-to-fail#p1> (where Trace Urdan, an analyst of the sector for Wells Fargo Securities, observes that “potential investors and operators worry that other for-profit schools may be shuttered. ‘There is a contingent that says there is a secret list in the basement of the Department of Education, and they will be knocking these guys down one after another.’”)

²⁷ See ED press release at USDOE Press Release 103014 <http://www.ed.gov/news/press-releases/obama-administration-announces-final-rules-protect-students-poor-performing-care>.

Section 2: Measuring the Financial Impact on States of the Elimination of Proprietary Higher Education or How Much do Proprietary Colleges and Universities Save State Taxpayers?

In the previous section, we estimated the number of students enrolled in at-risk programs. In this section we broaden the exercise to include overall enrollment in all proprietary programs. Below we describe how we estimate the number of students enrolled in two- and four-year proprietary institutions in each state and the District of Columbia. We then describe how we combine those enrollment counts with state appropriations to estimate the savings to the states provided by the proprietary sector, the flip side of the financial impact on the states of the potential closure of the proprietary sector. We present our state-by-state estimates of both enrollments and costs in Table 4 for bachelor's degree students and Table 5 for students in two-year schools.

How Many Students Attend Proprietary Institutions in Each State?

To calculate the number of FTE students enrolled in proprietary institutions in each of the states and D.C., we begin with IPEDS counts of full- and part-time students in two- and four-year proprietary institutions in each state and D.C. during each of the five academic years (from 2007–08 to 2011–12). We use a five-year period to avoid the possibility that a one-year study might be unrepresentative.

We modified one aspect of the IPEDS counts: For proprietary institutions that reported *all* of their students to IPEDS as full-time students, we classified *all* enrollments as part-time. This is a conservative approach, because some of these students are in fact full-time. However, we believe that treating all of these students as part-time more accurately reflects the typical attendance pattern in proprietary institutions wherein most students are unlikely to remain in full-time status throughout their college careers.²⁸ We converted this new count of part-time students in four-year proprietary institutions into FTE students using the IPEDS conversion factor of 0.392857²⁹ and the new count of part-time students in two-year proprietary institutions using the IPEDS conversion factor of 0.397058. To reach our total count of FTE students in two-year and four-year proprietary institutions, we added these results to the actual fulltime counts provided by IPEDS and then subtracted any full-time students that were reclassified as part-time.³⁰

²⁸ See National Student Clearinghouse Research Center–Signature Report #6, Completing College: A National View of Student Attainment Rates-Fall 2007 Cohort. Figure B. Six Year Outcomes by Starting Institution Type. Retrieved from http://nscresearchcenter.org/wp-content/uploads/NSC_Signature_Report_6.pdf (note that students at two-year proprietary institutions are more likely to be full-time students than their public college counterparts).

²⁹ National Center for Education Statistics. (n.d.). Glossary (calculation of FTE students [using fall student headcounts]). Retrieved from <http://nces.ed.gov/ipeds/glossary/index.asp?id=854>.

³⁰ Using California as an example, Appendix A describes how we calculated the number of FTE students educated in proprietary institutions who resided in each state and how we estimated the costs.

As noted in Section 1, state level enrollment data from IPEDS are limited in that many proprietary institutions operate large online programs and students enrolled in these are sometimes counted as enrolled in a central location regardless of where they actually reside. To more accurately count the FTE students of the proprietary institutions in each state, we asked ten³¹ proprietary education systems with large online student enrollments to provide us with the number of online students they enrolled in each of the five academic years *who had addresses in one of the 50 states or D.C., but under IPEDS had been reported as enrolled at a central location outside the state where they resided*. Table B.2 identifies the aggregate online annual FTE student count for each state and D.C. that was reported by the cooperating institutions.³²

Using the online numbers we received from the proprietary systems, along with the “on-ground” (i.e., physical campus-based) and online numbers from IPEDS, we estimated the number of FTE students in proprietary institutions at the associate’s and bachelor’s degree levels in each of the 50 states and D.C.³³ These estimates are found in Tables 4 and 5.

Enrollments in Four-Year Proprietary Institutions

Among the four-year proprietary institutions (both on-ground and online), we estimate approximately 3 million FTE bachelor-seeking students were enrolled across the 50 states and D.C. during the five academic years of this part of the study. Of these, just over half were enrolled in eight states: California, Florida, Georgia, Illinois, New York, Pennsylvania, Texas, and Virginia. Further, approximately 25 percent were studying in the thirteen states whose attorneys general have been among the most actively seeking to restrict or possibly shutter the proprietary colleges in their states.³⁴

Enrollments in Two-Year Proprietary Institutions

Among the two-year proprietary institutions (both on-ground and online), approximately 1.7 million FTE students were enrolled in the 50 states and D.C. during the five academic years. Six of these states (California, Florida, New York, Ohio, Pennsylvania, and Texas) accounted for nearly 51 percent of these enrollments. During the same time nearly 31 percent were enrolled

³¹ In our previous study, *Do Proprietary Higher Education Institutions Generate Savings for States? The Case of California, New York, Ohio and Texas*, we included data from only nine proprietary higher education systems.

³² This estimate is conservative because it includes only the FTE students of these ten systems and not the other proprietary schools that also report their online students as enrolled at a central location outside the reporting states.

³³ We recognize that many awards at two-year proprietary institutions are certificates and not associate’s degrees and that even at four-year institutions, a significant percentage of awards are certificates. However, because of limitations on data regarding certificates, we focused solely on associate’s and bachelor’s degrees. As is pointed out in Section 1, this limiting focus on degree-seeking students necessarily implies that the cost of the student shift analyzed in this study is understated.

³⁴ The states are Arkansas, Illinois, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Nevada, New York, North Carolina, Oregon, Pennsylvania, and Tennessee; see http://ag.ky.gov/pdf_news/financial-aid-letter.pdf.

in the thirteen states whose attorneys general, as previously noted, have been particularly skeptical about the proprietary colleges in their states.

Estimating Additional State Appropriations Needed to Serve Students Currently in Proprietary Institutions

Let us assume that, as with Corinthian Colleges, the proprietary schools were suddenly shut down and these 4.7 million students in proprietary colleges and universities needed to find alternate institutions. We assume that almost all would turn to public institutions—and these would most likely be community colleges or broad-access universities rather than the more selective universities or state flagships.

In the case of four-year schools, for each state we identified a set of broad-access, minimally competitive institutions and then calculated the average per FTE state and local appropriations they received.³⁵ We then multiply that average appropriation by the number of FTE students currently enrolled in four-year proprietary institutions who would be displaced by the closure of their schools. We estimate that over the five-year period states would have needed over \$18.8 billion in additional appropriations to educate those students. This represents a 42 percent increase in additional appropriations needed for those broad-access institutions, the equivalent of a 7 percent increase in the appropriations made for all public four-year colleges.

We assume that the 1.7 million FTE students enrolled in proprietary two-year schools would seek admission to community colleges. Using average state/local appropriations for community colleges, we estimate that had these students been enrolled in these public two-year schools, the additional cost would have been over \$9 billion—an 8 percent increase over the appropriations made for all public community colleges.

In short, in the five years we covered in this study, proprietary institutions relieved states of an additional tax burden of almost \$28 billion—a burden state taxpayers would have had to bear had their students enrolled in public institutions rather than proprietary ones.

How Were These Numbers Derived?

The first step in calculating the additional state appropriations needed if students enrolled in proprietary institutions were instead educated in public ones was to estimate how much states currently appropriate per FTE student. Our estimation of appropriations is based on a set of simple calculations, which is described in more detail in Appendix A. First, having identified a set of broad-access four-year institutions in each state, using IPEDS we calculated the non-capital appropriations³⁶ per FTE student for each of these schools in each of the five academic

³⁵ These institutions are listed in Table B.1.

³⁶ We calculated the appropriations using the state and local appropriations for both two and four-year institutions in every state, taking into account that some states reported no local appropriations.

years.³⁷ For two-year public institutions we calculated the average non-capital appropriation per FTE student across all community colleges in each state for each of the same five years.

We recognize that the public institutions in our sample, and in general, would likely not have the capacity to handle an influx of students the size of that contemplated in this study.³⁸ Notwithstanding, ***we again excluded capital appropriations, conservatively assuming that states would have accommodated the increased enrollments without building additional campuses or increasing the physical capacity of current locations. And our estimates do not include costs to taxpayers for state or federal financial aid, as that aid would follow eligible students wherever they enrolled in a Title IV certified institution.***

For each state, we then multiplied the number of FTE students by the average per student appropriation for the set of broad-access schools in our sample for each of the five academic years. Based on changes in the Consumer Price Index (CPI), we converted the numbers for each state into constant 2013 dollars and then added them together to estimate the total additional appropriations needed to educate the students resident in each state who were enrolled in proprietary institutions during the five academic years.

We also identified any state appropriations already received by proprietary institutions for the benefit of individual students during each of the five academic years, by state and level of institution, and converted them into 2013 dollars.³⁹ We then subtracted these figures from the total additional appropriations required to educate these students. We did this because we assumed that students who received appropriations at the proprietary institutions would likewise have received them at public institutions. Consequently, the public institutions would not need to provide those additional funds.⁴⁰ The results are presented in Table 4 for four-year institutions and Table 5 for two-year ones.

³⁷ See Table B.1 for annual appropriations per FTE student for each institution in our sample.

³⁸ See, for example, the difficulty presented by the closing of Corinthian Colleges:

<http://www.businessweek.com/articles/2014-09-25/corinthian-colleges-for-profit-and-too-big-to-fail#p1>.

³⁹ For details on the type of aid that is included here under state and local grants see the reporting form used for Finance Collection at private for-profit schools at https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package_7_19.pdf. For private for-profit schools, the definition in IPEDS is this: Grant monies provided by the state such as Leveraging Educational Assistance Partnerships (LEAP) (formerly SSIG's); merit scholarships provided by the state; and tuition and fee waivers for which the institution was reimbursed by a state agency. Local government grants include scholarships or gift-aid awarded directly to the student. See <https://nces.ed.gov/ipeds/glossary/?charindex=S>.

⁴⁰ Table B.3 presents the amounts that we subtracted by state and type of institution.

Table 4. Enrollment of FTE Students in Proprietary Four-Year Institutions, Additional Appropriations Needed to Educate Students Enrolled in Proprietary Institutions, State Appropriations for Selected Institutions, Percentage Increase In State Appropriations for Selected Institutions to Educate Displaced Students, State Appropriations for All Public Institutions, Percentage Increase In Total State Appropriations to Educate Displaced Students, Academic Years 2007-08 - 2011-12, By State

| State | Enrollment of FTE Students in Proprietary Institutions | Additional Appropriations Needed | State Appropriations for Selected Institutions | Percentage Increase In State Appropriations for Selected Institutions | State Appropriations for All Public Institutions | Percentage Increase in Total State Appropriations |
|-------|--|----------------------------------|--|---|--|---|
| AK | 5,717 | \$ 67,323,800 | \$ 791,753,177 | 9% | \$ 1,631,900,229 | 4% |
| AL | 94,793 | \$ 769,153,900 | \$ 1,041,085,869 | 74% | \$ 5,956,056,987 | 13% |
| AR | 11,774 | \$ 76,016,700 | \$ 633,935,198 | 12% | \$ 3,098,069,276 | 2% |
| AZ | 163,458 | \$ 1,136,174,500 | \$ 2,785,269,474 | 41% | \$ 4,732,890,698 | 24% |
| CA | 386,199 | \$ 2,497,282,400 | \$ 2,367,476,425 | 105% | \$ 5,931,964,047 | 10% |
| CO* | 69,889 | - | - | 0% | \$ 406,097,086 | -1% |
| CT | 18,741 | \$ 138,791,600 | \$ 972,360,359 | 14% | \$ 3,820,254,603 | 4% |
| DC** | 51,696 | \$ 976,036,300 | \$ 341,921,180 | 285% | \$ 358,460,795 | 272% |
| DE | 2,761 | \$ 28,536,800 | \$ 186,664,322 | 15% | \$ 186,664,322 | 15% |
| FL | 296,550 | \$ 2,123,989,500 | \$ 3,159,547,929 | 67% | \$ 6,645,290,871 | 13% |
| GA | 145,439 | \$ 709,595,900 | \$ 473,281,292 | 150% | \$ 8,681,564,938 | 8% |
| HI | 7,314 | \$ 69,595,500 | \$ 171,055,912 | 41% | \$ 1,457,920,219 | 5% |
| IA | 32,784 | \$ 265,593,100 | \$ 1,834,512,553 | 14% | \$ 3,275,781,577 | 8% |
| ID | 8,970 | \$ 55,933,800 | \$ 950,191,026 | 6% | \$ 1,583,148,567 | 4% |
| IL | 131,058 | \$ 872,194,200 | \$ 823,248,625 | 106% | \$ 7,108,682,540 | 12% |
| IN | 63,704 | \$ 317,713,600 | \$ 378,722,368 | 84% | \$ 6,676,553,478 | 5% |
| KS | 10,212 | \$ 66,780,400 | \$ 942,465,678 | 7% | \$ 3,398,186,473 | 2% |
| KY | 59,359 | \$ 285,579,300 | \$ 840,500,063 | 34% | \$ 4,315,881,172 | 7% |
| LA | 21,659 | \$ 105,473,000 | \$ 462,185,710 | 23% | \$ 5,305,245,317 | 2% |
| MA | 23,234 | \$ 132,615,300 | \$ 770,441,638 | 17% | \$ 4,098,153,264 | 3% |
| MD | 31,542 | \$ 266,944,500 | \$ 536,360,597 | 50% | \$ 5,625,617,975 | 5% |
| ME | 6,478 | \$ 36,312,200 | \$ 58,037,149 | 63% | \$ 1,003,785,391 | 4% |
| MI | 49,322 | \$ 201,594,500 | \$ 1,012,272,091 | 20% | \$ 7,798,801,211 | 3% |
| MN | 87,290 | \$ 383,940,300 | \$ 600,977,277 | 64% | \$ 4,796,838,883 | 8% |
| MO | 80,690 | \$ 447,050,500 | \$ 521,423,295 | 86% | \$ 4,029,638,151 | 11% |
| MS | 12,075 | \$ 109,179,400 | \$ 1,325,471,488 | 8% | \$ 3,581,707,047 | 3% |
| MT | 2,739 | \$ 16,665,600 | \$ 173,593,801 | 10% | \$ 868,933,838 | 2% |
| NC | 59,507 | \$ 706,969,300 | \$ 2,297,396,473 | 31% | \$12,342,593,0241 | 6% |
| ND | 5,788 | \$ 41,629,200 | \$ 125,606,919 | 33% | \$ 1,237,950,143 | 3% |
| NE | 11,942 | \$ 77,237,000 | \$ 236,081,240 | 33% | \$ 2,725,082,029 | 3% |
| NH | 19,654 | \$ 47,742,400 | \$ 127,571,124 | 37% | \$ 468,811,052 | 10% |
| NJ | 38,788 | \$ 229,734,900 | \$ 1,069,823,717 | 21% | \$ 7,407,007,678 | 3% |
| NM | 22,411 | \$ 247,609,400 | \$ 1,148,522,737 | 22% | \$ 3,103,897,925 | 8% |
| NV | 27,464 | \$ 263,147,900 | \$ 1,805,962,305 | 15% | \$ 2,478,646,371 | 11% |

| | | | | | | |
|--------------|------------------|--------------------------|--------------------------|------------|---------------------------|-----------|
| NY | 138,114 | \$ 988,084,300 | \$ 1,615,437,832 | 61% | \$ 9,016,996,373 | 5% |
| OH | 97,202 | \$ 447,734,400 | \$ 1,536,898,807 | 29% | \$ 8,222,526,133 | 5% |
| OK | 19,779 | \$ 122,910,200 | \$ 317,914,043 | 39% | \$ 4,133,378,505 | 3% |
| OR | 24,354 | \$ 189,514,700 | \$ 991,877,294 | 19% | \$ 2,052,455,452 | 9% |
| PA | 94,412 | \$ 117,742,500 | \$ 76,883,495 | 153% | \$ 2,434,424,944 | 5% |
| RI | 1,038 | \$ 5,052,600 | \$ 541,782,786 | 1% | \$ 541,782,786 | 1% |
| SC | 50,050 | \$ 130,166,800 | \$ 278,650,185 | 47% | \$ 2,600,939,535 | 5% |
| SD | 12,531 | \$ 38,715,900 | \$ 102,984,407 | 38% | \$ 807,789,361 | 5% |
| TN | 55,592 | \$ 298,674,400 | \$ 1,381,895,822 | 22% | \$ 4,924,429,985 | 6% |
| TX | 157,696 | \$ 825,190,600 | \$ 820,095,955 | 101% | \$ 2,286,162,983 | 4% |
| UT | 27,678 | \$ 183,645,500 | \$ 1,247,963,396 | 15% | \$ 3,206,808,866 | 6% |
| VA | 152,739 | \$ 1,136,270,300 | \$ 1,760,774,233 | 65% | \$ 6,344,052,645 | 18% |
| VT* | 2,222 | \$ (1,859,100) | \$ 78,966,712 | -2% | \$ 352,399,134 | -1% |
| WA | 44,357 | \$ 322,019,600 | \$ 1,633,325,197 | 20% | \$ 4,703,412,072 | 7% |
| WI | 47,633 | \$ 215,844,300 | \$ 485,484,064 | 44% | \$ 5,124,257,240 | 4% |
| WV | 5,246 | \$ 21,134,800 | \$ 189,808,032 | 11% | \$ 1,931,349,591 | 1% |
| WY | 2,087 | \$ 42,603,800 | \$ 1,094,076,162 | 4% | \$ 1,094,076,162 | 4% |
| TOTAL | 2,993,731 | \$ 18,850,559,100 | \$ 45,120,537,430 | 42% | \$ 255,915,318,947 | 7% |

* Colorado and Vermont did not receive public appropriations for the sample institutions, therefore the additional appropriations needed are a negative number (zero minus the appropriations received by the proprietary institutions). Consequently the resulting percentage is negative.

** D.C. had a small initial public appropriation and many students in proprietary four-year institutions, so the resulting percentage increase is exceptionally high.

Table 5. Enrollment of FTE Students in Proprietary Two-Year Institutions, Additional Appropriations Needed to Educate Students Enrolled in Proprietary Institutions, State Appropriations for Public Two-Year institutions, Percentage Increase In State Appropriations for Public Two-Year Institutions to Educate Displaced Students, Academic Years 2007-08 - 2011-12, By State

| State | Enrollment of FTE Students in Proprietary Institutions | Additional Appropriations Needed | State Appropriations for All Public Institutions | Percentage Increase in Total State Appropriations * |
|-------|--|----------------------------------|--|---|
| AK | 3,189 | \$ 83,124,700 | \$ 54,222,776 | 153% |
| AL | 22,759 | \$ 115,022,900 | \$ 1,687,437,761 | 7% |
| AR | 7,557 | \$ 40,567,500 | \$ 1,032,094,255 | 4% |
| AZ | 41,925 | \$ 300,166,400 | \$ 4,107,586,371 | 7% |
| CA | 231,608 | \$ 1,568,432,200 | \$ 29,534,281,161 | 5% |
| CO | 41,685 | \$ 30,677,300 | \$ 195,564,698 | 16% |
| CT | 7,192 | \$ 52,995,800 | \$ 1,165,903,356 | 5% |
| DC* | 463 | - | - | 0% |
| DE | 2,367 | \$ 16,121,200 | \$ 330,170,481 | 5% |
| FL | 125,933 | \$ 487,203,700 | \$ 864,044,370 | 56% |
| GA | 61,165 | \$ 249,367,800 | \$ 1,918,417,636 | 13% |
| HI | 9,022 | \$ 55,138,000 | \$ 502,957,609 | 11% |
| IA | 6,569 | \$ 31,102,200 | \$ 1,551,190,258 | 2% |
| ID | 7,283 | \$ 43,903,100 | \$ 347,965,522 | 13% |

| | | | | |
|--------------|------------------|-------------------------|---------------------------|-----------|
| IL | 38,749 | \$ 208,522,600 | \$ 6,326,474,897 | 3% |
| IN | 35,018 | \$ 187,628,100 | \$ 300,117,570 | 63% |
| KS | 10,097 | \$ 73,551,900 | \$ 1,853,135,745 | 4% |
| KY | 26,627 | \$ 69,982,400 | \$ 819,098,146 | 9% |
| LA | 25,644 | \$ 110,936,900 | \$ 922,435,730 | 12% |
| MA | 12,278 | \$ 56,832,700 | \$ 1,476,639,274 | 4% |
| MD | 26,887 | \$ 207,155,600 | \$ 3,084,758,330 | 7% |
| ME | 4,916 | \$ 24,080,600 | \$ 257,444,058 | 9% |
| MI | 29,100 | \$ 180,281,500 | \$ 4,657,561,702 | 4% |
| MN | 12,144 | \$ 54,517,400 | \$ 1,937,250,674 | 3% |
| MO | 36,919 | \$ 109,615,800 | \$ 882,748,297 | 12% |
| MS | 25,696 | \$ 115,986,500 | \$ 1,480,021,664 | 8% |
| MT | 2,608 | \$ 12,255,200 | \$ 148,273,082 | 8% |
| NC | 55,536 | \$ 420,763,400 | \$ 5,660,444,400 | 7% |
| ND | 960 | \$ 6,284,300 | \$ 136,902,369 | 5% |
| NE | 5,313 | \$ 40,186,200 | \$ 1,076,118,542 | 4% |
| NH | 2,221 | \$ 9,290,300 | \$ 174,320,503 | 5% |
| NJ | 18,429 | \$ 58,026,900 | \$ 1,897,759,720 | 3% |
| NM | 6,406 | \$ 46,624,300 | \$ 1,644,847,336 | 3% |
| NV | 17,304 | \$ 95,489,300 | \$ 178,917,170 | 53% |
| NY | 113,305 | \$ 609,687,600 | \$ 6,333,428,959 | 10% |
| OH | 108,225 | \$ 505,833,000 | \$ 2,976,555,784 | 17% |
| OK | 17,491 | \$ 89,054,000 | \$ 1,068,086,491 | 8% |
| OR | 19,064 | \$ 131,341,400 | \$ 2,271,605,640 | 6% |
| PA | 141,459 | \$ 597,717,000 | \$ 1,945,973,404 | 31% |
| RI | 1,170 | \$ 5,395,700 | \$ 237,697,880 | 2% |
| SC | 25,114 | \$ 78,380,400 | \$ 1,017,421,780 | 8% |
| SD | 1,547 | \$ 3,933,900 | \$ 67,121,391 | 6% |
| TN | 47,932 | \$ 180,774,900 | \$ 1,165,549,244 | 16% |
| TX | 143,757 | \$ 938,196,200 | \$ 12,276,374,752 | 8% |
| UT | 8,239 | \$ 35,868,800 | \$ 421,308,198 | 9% |
| VA | 49,686 | \$ 169,472,200 | \$ 1,873,789,775 | 9% |
| VT | 1,170 | \$ 2,088,500 | \$ 26,314,554 | 8% |
| WA | 24,818 | \$ 128,564,000 | \$ 2,669,263,844 | 5% |
| WI | 20,852 | \$ 267,730,700 | \$ 4,131,552,911 | 6% |
| WV | 12,845 | \$ 43,791,900 | \$ 248,322,923 | 18% |
| WY | 4,674 | \$ 53,777,300 | \$ 895,270,691 | 6% |
| TOTAL | 1,702,919 | \$ 9,003,442,200 | \$ 117,832,743,685 | 8% |

* D.C. has no two-year colleges, so there is no percentage noted.

To illustrate the logic of these calculations, consider California. If all 386,200 FTE students resident in the state enrolled in proprietary four-year institutions presented themselves on the

doorstep of the state's broad-access public institutions, we estimate that the state would have had to appropriate an additional \$2.5 billion over the five academic years, or approximately \$500 million per year, to educate them. This is based on multiplying the specific annual appropriations per FTE student by the number of FTE students enrolled in proprietary institutions for each of the five academic years and then summing these annual estimates.⁴¹ New York would have had to appropriate an additional \$988 million over the five academic years, Texas more than an additional \$825 million, and Ohio almost an additional \$448 million.

If students who were enrolled in proprietary two-year institutions attended public two-year institutions, the additional state and local appropriations needed to educate them would also be high. For example, California would have had to appropriate an additional \$1.57 billion over the five academic years; that is, \$314 million per year. Meanwhile, during the same five-year period New York would have had to appropriate an additional \$609 million (\$122 million per year), Ohio \$506 million (\$101 million annually), and Texas \$938 million (nearly an additional \$188 million more per year).

These calculations are based on three key assumptions: That *all* students in the proprietary institutions:

1. Would have chosen to enroll in degree programs at public institutions.⁴²
2. Would have been able to enroll in broad-access, minimally competitive four-year or two-year public institutions that offered programs identical or similar to those in the proprietary institutions and in a format matching the needs of mostly adult learners (e.g., evening classes and online courses).
3. Would have received the same average state or local appropriations per FTE student as allocated to the students enrolled in the broad-access four-year institutions and the two-year schools.⁴³

Of course, as ED noted in the Federal Register, states—faced with millions of students displaced by federal actions—could choose different options. For instance, a state could turn away their portion of these millions of students due to lack of funds, but this would deviate from the nation's education goals and take away the many economic and social benefits that come with a citizenry that has advanced training and postsecondary education. A state could also choose

⁴¹ Appendix B presents additional details about the calculations made for each state, using California as a specific example.

⁴² Although some private non-profit institutions serve similar students as those served by the proprietary colleges and universities, because it is impossible to estimate the number of students (and the cost to educate them) in such institutions, in this study we assume no students would be enrolling in private non-profit schools.

⁴³ We agree with ED that "it is not necessarily the case that [states] will face marginal costs that are similar to their average cost" (<http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf>, p. 65081). However, because it is impossible to estimate what the marginal costs would be, we assume they will be approximately the same as the average costs given the other cost offsets we have also assumed (for example, not taking into account students in at-risk certificate programs and not adding to needed appropriations potential capital costs in buildings and technology).

to enroll these new students without increasing appropriations or increasing them only marginally—but that would lead to other consequences, such as lowering student success rates,⁴⁴ offering fewer services or course offerings, and likely increases in tuition for all.⁴⁵ These options are not a federal concern—but clearly are ones that states will have to deal with.

Conclusions

Leaving aside at-risk certificate programs, we estimate that the associated appropriations needed to educate in public institutions the students enrolled in the at-risk programs will be nearly \$602 million for those in bachelor's and nearly \$3.7 billion for those in associate's programs.

That is, given the newly published Gainful Employment regulations, the states and D.C. will face a financial liability of nearly \$4.3 billion if the 618,000 degree-seeking students displaced by the new federal Gainful Employment regulations chose to continue their studies in public institutions. This amount is for one year only. An assessment of the impact of additional costs to state taxpayers, for example between five or ten years, would increase the estimated costs to the states to somewhere between \$21 and \$43 billion.

Secretary Duncan once stated that proprietary institutions “are critical to helping America meet the President’s 2020 goal . . . [and] are helping us meet the explosive demand for skills that public institutions cannot always meet.”⁴⁶ Indeed, as Tables 4 and 5 make clear, replacing the educational services that the proprietary sector is providing to nontraditional, low-income, and historically underserved minority students would be unrealistically expensive for most states.

During the five-year period studied in Section 2 of this report, the proprietary sector enrolled nearly 4.7 million full-time equivalent students in the 50 states plus D.C. We calculate that this represents a saving of approximately \$28 billion to state and D.C. taxpayers, which, in the

⁴⁴ As noted in footnote 13, there is evidence that overcrowding leads to unproductive enrollments in the public sector and lengthens time to degree. If a student in a proprietary institution would have to enroll in more periods of school to complete their degree, then their aggregated expenditure over time may be even larger in part offsetting the savings from increased enrollments in underutilized public institutions. See Bound, J., Michael F. Lovenheim, M., and Turner, S. 2010. "Why Have College Completion Rates Declined? An Analysis of Changing Student Preparation and Collegiate Resources." *American Economic Journal: Applied Economics*, 2(3): 129-57 and Bound, J., Lovenheim, M. and Turner, S. 2010. "Increasing Time to Baccalaureate Degree in the United States." *PSC Research Report No. 10-698*. April 2010. See also Klor de Alva, J., & Schneider, M. (2013). *What's the value of an associate's degree. The return on investment for graduates and taxpayers*. San Francisco: Nexus Research and Policy Center; Washington, DC: American Institutes for Research. Retrieved from http://nexusresearch.org/reports/valueof2yrdegree/Value_of_Associate_Degree.pdf.

⁴⁵ Chakrabarti, R., Mabus, M., & Zafar, B. (2012). *Soaring tuitions: Are public funding cuts to blame?* New York: Federal Reserve Bank of New York. Retrieved from http://libertystreeteconomics.newyorkfed.org/2012/09/soaring-tuitions-are-public-funding-cuts-to-blame.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+LibertyStreetEconomics+%28Liberty+Street+Economics%29.

⁴⁶ U.S. Education Secretary Arne Duncan Keynotes DeVry Policy Forum (May 11, 2010). Press release, DeVry, Inc. Retrieved from <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aloTQ.iSOJvE>.

sector's absence, could become a \$28 billion liability for the same taxpayers. In short, any significant constriction of the proprietary sector represents a substantial fiscal liability to the states to the extent the states enroll the displaced students in their public institutions.

None of this is meant as an argument for loosening regulations—on Gainful Employment or other matters—that are reasonably aimed at improving the performance of proprietary, independent, and public institutions.

However, our data should caution state legislators, public officials, policy makers, college administrators, and taxpayers who believe that it is in the best financial interest of taxpayers to shift responsibility for the education of hundreds of thousands of students from the proprietary to the public sector—a sector that is too frequently ill equipped and undercapitalized to handle such an influx.

Finally, this study serves as a reminder to policy makers that when comparing costs between public and proprietary institutions, it is important to consider not just the cost to students and their families represented by the tuition charged by each institution, but also the per-student public subsidy that supports the real cost of education.

Appendix A

How We Calculated Our Measures in Section 2

To illustrate our calculations, we present the case of California using data from AY2011–12. We describe how we estimated (a) the number of students enrolled in proprietary institutions and (b) the appropriations using a sample of broad-access, four-year institutions and all public, two-year colleges in the state. We used this same process to generate estimates for each of the other states and D.C.⁴⁷

Sample Institutions

For four-year institutions in California, we began with a set of five public institutions that were categorized as “Less Competitive” in *Barron’s Profiles of American Colleges 2013*.⁴⁸ The five broad-access, four-year public institutions in our sample are all part of the California State University (CSU) system: CSU–Bakersfield, Dominguez Hills, Fresno, Monterey Bay, and Northridge.⁴⁹ In the other states, we focused on four-year institutions categorized by Barron’s as “Noncompetitive” and, where necessary because less selective institutions were not available, “Competitive.” Table B.4 offers definitions of Barron’s levels of competitiveness.

Among two-year institutions, we included all degree granting community colleges in California.

Estimating the Full-Time Equivalent Number of Students Enrolled in Proprietary Institutions

We calculated the FTE student count in AY2011–12 for both two- and four-year proprietary institutions with campuses physically located in California using figures reported to IPEDS, with one adjustment. Some proprietary institutions report all their students to IPEDS as full-time students. For those institutions, we classified all enrollments as part-time. This conversion embodies a conservative approach because some of these students are in fact full-time, but we believe that treating them as part-time better reflects common attendance patterns. The reason for this is that the definition of full-time in IPEDS classifies students based on their first term, regardless of their attendance status throughout their enrollment in that institution. However, most students at proprietary institutions do not attend full-time during their entire academic career. Therefore, while proprietary institutions originally reported 82,823 full-time and 26,126 part-time students, we reclassified 35,426 students from full-time status to part-time status (these are students who were classified as full-time in IPEDS but the institutions reported only full-time students and no part-time students). This results in 61,552 students labeled as part-time (leaving 47,397 as full-time). To convert these 61,552 part-time students

⁴⁷ The spreadsheet with all calculations is available by request from the authors.

⁴⁸ Barron’s Educational Series, Inc. (2013). *Barron’s profiles of American colleges 2013*. Hauppauge, NY, p. 259.

⁴⁹ Table B.1 presents the list of the broad-access, four-year institutions that we used to generate average appropriations in each state.

into FTE students, we used the IPEDS conversion factor of 0.392857⁵⁰ (appropriate for four-year institutions) and added the results (24,181) to the adjusted full-time count (47,397), producing an estimated 71,578 FTE students in four-year proprietary institutions in AY2011–12.

Similarly, according to IPEDS, 83,767 students were enrolled in two-year proprietary institutions in California (74,876 reported as full-time and 8,891 as part-time). Again, following our full-time to part-time adjustment approach for schools that report all of their students as full-time, we recalculated the FTE student count based on 23,495 full-time and 60,272 part-time students. To convert these 60,272 part-time students to FTE students, we used the IPEDS two-year institution conversion factor of 0.397058 and added the results (23,931) to the adjusted full-time count (23,495), producing an estimated 47,426 FTE students in two-year proprietary institutions in AY2011–12.

Table A.1: Calculating FTE Students in Proprietary Institutions in California, AY2011–12

| Type of Institution | Calculated FTE for “On Ground” Resident Students | Calculated FTE for Online Resident Students | Total Calculated FTE Students |
|---------------------|--|---|-------------------------------|
| Four-Year | 71,578 | 19,185 | 90,763 |
| Two-Year | 47,426 | 9,707 | 57,133 |

These IPEDS counts are only for students enrolled in campuses physically located in California. As previously noted, many of the large proprietary systems report online students as enrolled in a central location. For example, a student living in California but enrolled online in Ashford University will be included by IPEDS in Iowa’s count. To resolve this problem, we asked ten of the largest proprietary systems in the nation to provide us with the FTE count of online students resident in each of the 50 states and D.C.

We then added the IPEDS FTE student numbers and the FTE student counts provided by the proprietary systems to get a more accurate estimate of the number of California residents enrolled in proprietary institutions. Table A.1 illustrates the numbers from California. We repeated this process in the other states and D.C. during each of the five academic years.

State Appropriations

Here our goal was to estimate the additional state dollars that California would have had to appropriate to educate resident students enrolled in proprietary institutions in the state had such students attended broad-access public institutions in the state. Our approach is somewhat different between two- and four-year institutions, reflecting the far larger role that local appropriations play in financing two-year public institutions.

⁵⁰ National Center for Education Statistics. (n.d.). Glossary (calculation of FTE students (using fall student headcounts)). Retrieved from <http://nces.ed.gov/ipeds/glossary/index.asp?id=854>.

- **Four-Year Public Institutions:** Using data from IPEDS, we calculated total state⁵¹ appropriations for the five institutions in California. In AY2011–12, appropriations to these institutions totaled more than \$376 million. The total appropriations were divided by the IPEDS fall 2011 FTE student enrollment for these institutions (74,318). On average, California appropriated approximately \$5,100 per FTE student at broad-access institutions in AY2011–12. Adjusting by the CPI yielded an estimated appropriation of \$5,300 per FTE student in 2013 dollars.⁵² Recall that capital appropriations are not included.

- **Two-Year Public Institutions:** Using data from IPEDS, we added all state and local appropriations for all public community colleges in California for AY2011–12 (nearly \$5.2 billion) and divided the total by the FTE student count in the 114 institutions from fall 2011 (approximately 822,737). This produced an estimate of \$6,300 in appropriations per FTE student. Adjusting by the CPI yielded an estimated appropriation of \$6,600 per FTE student in 2013 dollars.

Additional State Appropriations Needed

We now had an estimate of the FTE student enrollment in proprietary institutions in California and an estimate of what California appropriates per FTE student at two- and four-year institutions. Next, we estimated how much more the state would have had to appropriate to educate state residents who attended proprietary institutions if they had enrolled instead in public institutions.

We recognize that some of these students might not have enrolled in a public institution and others may have been denied admission due to overcrowding or limited state resources. Adjusting for those who would not have enrolled in public institutions is impossible. Therefore, for the purposes of this analysis, we estimated the cost to the state as if *all* proprietary students would have chosen to attend and would have been admitted to the broad-access public institutions in the state.

To estimate the additional appropriations, we multiplied the public appropriations per FTE student in AY2011–12 in 2013 dollars by the estimated FTE students enrolled in proprietary colleges in fall 2011. This resulted in an estimated additional cost to California of more than \$483 million to educate students that attended proprietary four-year institutions and an *additional* cost of approximately \$379 million to educate students that attended proprietary two-year institutions—a *one year total of \$862 million* (Table A.2).

⁵¹ Local appropriations for four-year public institutions were found only in some cases, such as New York, and, consequently, do not affect appropriations per FTE student in the majority of states.

⁵² All calculations are for AY2011–12, and all dollar figures were CPI adjusted to 2013 dollars and rounded to the nearest hundred.

Table A.2: Additional Appropriations Needed If California Residents Enrolled in Proprietary Colleges Had Attended Broad-Access, Public Institutions in California in AY2011–12*

| Type of Institution | Estimated FTE Students in Proprietary Institutions | Appropriations Per FTE Student in 2013 Dollars | Total Additional Appropriations Needed |
|---------------------|--|--|--|
| Four-Year | 90,763 | \$ 5,300 | \$ 483,158,600 |
| Two-Year | 57,133 | \$ 6,600 | \$ 379,201,200 |

* Note that due to the rounding of all monetary figures the calculations are not exact.

For this calculation we also identified the total direct appropriations that proprietary institutions receive for the benefit of individual students each year, by state and type of institution, and converted these into 2013 dollars (see Table B.3).⁵³ We then subtracted these figures from the total additional appropriations needed to educate these students. We did this on the assumption that students who received state appropriations at the proprietary institutions would also have received them at the public institutions, had they attended. Consequently, the public institutions would not need to provide those additional funds.

We repeated this exercise for each of the five academic years and added them to produce the estimates for California (Table A.1).

⁵³ For details on the type of aid that is included here under state and local grants see the reporting form used for Finance Collection at private for-profit schools at https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package_7_19.pdf. For private for-profit schools, the definition in IPEDS is this: Grant monies provided by the state such as Leveraging Educational Assistance Partnerships (LEAP) (formerly SSIG's); merit scholarships provided by the state; and tuition and fee waivers for which the institution was reimbursed by a state agency. Local government grants include scholarships or gift-aid awarded directly to the student. See <https://nces.ed.gov/ipeds/glossary/?charindex=S>.

Appendix B

Table B.1: Annual Appropriations, From AY2007–08 to AY2011–12, Per FTE Student (in 2013 Dollars) at Broad-Access, Four-Year Institutions Used in the Study

| Institution | State | Admissions Level* | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|--|-------|-------------------|----------|----------|----------|----------|----------|
| University of Alaska Anchorage | AK | NC | \$10,916 | \$10,732 | \$11,115 | \$11,106 | \$11,654 |
| University of Alaska Southeast | AK | LC | \$15,839 | \$15,004 | \$16,446 | \$18,037 | \$17,761 |
| Alabama A & M University | AL | LC | \$ 9,451 | \$ 7,570 | \$ 8,566 | \$12,759 | \$11,174 |
| Jacksonville State University | AL | LC | \$ 5,064 | \$ 4,929 | \$ 5,658 | \$ 5,701 | \$ 7,373 |
| University of South Alabama | AL | LC | \$ 8,730 | \$ 7,978 | \$ 8,485 | \$ 9,964 | \$13,046 |
| University of Arkansas at Little Rock | AR | NC | \$ 7,676 | \$ 7,355 | \$ 7,558 | \$ 8,517 | \$ 8,156 |
| Arkansas Tech University | AR | C | \$ 4,352 | \$ 4,351 | \$ 4,786 | \$ 5,687 | \$ 5,678 |
| University of Arkansas at Monticello | AR | NC | \$ 6,017 | \$ 6,298 | \$ 6,509 | \$ 7,232 | \$ 7,291 |
| Arizona State University | AZ | C | \$ 5,009 | \$ 6,389 | \$ 6,816 | \$ 7,601 | \$11,925 |
| Northern Arizona University | AZ | C | \$ 5,065 | \$ 6,255 | \$ 6,983 | \$ 8,054 | \$10,702 |
| California State University-Bakersfield | CA | LC | \$ 6,849 | \$ 8,619 | \$ 7,772 | \$ 7,192 | \$10,231 |
| California State University-Dominguez Hills | CA | LC | \$ 5,422 | \$ 6,859 | \$ 6,273 | \$ 6,090 | \$ 8,724 |
| California State University-Fresno | CA | LC | \$ 5,226 | \$ 7,065 | \$ 6,601 | \$ 6,059 | \$ 8,583 |
| California State University-Monterey Bay | CA | LC | \$10,896 | \$13,762 | \$11,639 | \$10,616 | \$15,711 |
| California State University-Northridge | CA | LC | \$ 4,137 | \$ 6,321 | \$ 5,598 | \$ 5,082 | \$ 7,433 |
| Colorado State University-Pueblo | CO | LC | - | - | - | - | - |
| Colorado Mesa University | CO | C | - | - | - | - | - |
| Metropolitan State University of Denver | CO | LC | - | - | - | - | - |
| Central Connecticut State University | CT | C | \$ 6,611 | \$ 7,643 | \$ 7,817 | \$ 8,136 | \$ 8,396 |
| Southern Connecticut State University | CT | C | \$ 6,716 | \$ 7,678 | \$ 7,436 | \$ 8,131 | \$ 8,535 |
| Eastern Connecticut State University | CT | C | \$ 8,159 | \$ 9,225 | \$ 9,534 | \$ 9,548 | \$ 9,708 |
| University of the District of Columbia | DC | LC | \$20,917 | \$18,730 | \$19,802 | \$17,842 | \$18,457 |
| Delaware State University | DE | LC | \$ 8,747 | \$ 9,763 | \$11,759 | \$12,257 | \$11,912 |
| Florida Agricultural and Mechanical University | FL | C | \$ 8,275 | \$ 8,942 | \$ 9,317 | \$11,287 | \$12,629 |
| University of Central Florida | FL | C | \$ 5,391 | \$ 5,883 | \$ 6,112 | \$ 7,369 | \$ 7,972 |
| Florida Atlantic University | FL | C | \$ 6,986 | \$ 8,471 | \$ 8,898 | \$ 9,785 | \$10,853 |
| Florida Gulf Coast University | FL | C | \$ 4,481 | \$ 4,795 | \$ 5,279 | \$ 6,652 | \$ 8,001 |
| Clayton State University | GA | LC | \$ 4,422 | \$ 4,740 | \$ 4,337 | \$ 6,027 | \$ 6,340 |
| Armstrong Atlantic State University | GA | C | \$ 4,528 | \$ 4,641 | \$ 4,496 | \$ 6,274 | \$ 6,727 |
| Albany State University | GA | C | \$ 4,392 | \$ 4,779 | \$ 4,768 | \$ 6,529 | \$ 7,070 |
| Savannah State University | GA | C | \$ 4,231 | \$ 4,874 | \$ 4,770 | \$ 6,538 | \$ 7,165 |
| University of Hawaii at Hilo | HI | C | \$ 8,599 | \$ 8,450 | \$ 9,266 | \$12,095 | \$11,926 |
| Iowa State University | IA | C | \$ 8,613 | \$ 9,225 | \$ 9,777 | \$12,642 | \$12,442 |
| University of Northern Iowa | IA | C | \$ 6,927 | \$ 7,194 | \$ 8,858 | \$ 9,592 | \$ 9,126 |
| Boise State University | ID | LC | \$ 4,590 | \$ 4,780 | \$ 5,489 | \$ 6,680 | \$ 6,738 |
| Idaho State University | ID | C | \$ 7,044 | \$ 7,312 | \$ 7,682 | \$ 9,446 | \$ 9,269 |
| Lewis-Clark State College | ID | C | \$ 4,869 | \$ 5,167 | \$ 5,887 | \$ 7,499 | \$ 7,400 |
| Chicago State University | IL | C | \$13,731 | \$12,239 | \$13,389 | \$13,403 | \$13,472 |

| | | | | | | | |
|---------------------------------------|----|----|----------|----------|----------|----------|----------|
| Northeastern Illinois University | IL | C | \$ 5,173 | \$ 5,116 | \$ 5,262 | \$ 5,650 | \$ 5,057 |
| Eastern Illinois University | IL | C | \$ 4,931 | \$ 4,730 | \$ 4,759 | \$ 5,007 | \$ 4,909 |
| Indiana University-East | IN | LC | \$ 3,875 | \$ 4,340 | \$ 5,073 | \$ 6,147 | \$ 6,528 |
| Indiana University-South Bend | IN | LC | \$ 4,528 | \$ 4,465 | \$ 4,914 | \$ 5,651 | \$ 5,828 |
| Indiana University-Kokomo | IN | LC | \$ 5,736 | \$ 5,579 | \$ 6,210 | \$ 7,503 | \$ 6,950 |
| Indiana University-Northwest | IN | LC | \$ 4,438 | \$ 4,405 | \$ 5,442 | \$ 6,766 | \$ 6,967 |
| Emporia State University | KS | C | \$ 7,089 | \$ 6,779 | \$ 6,862 | \$ 7,293 | \$ 7,637 |
| Wichita State University | KS | C | \$ 6,246 | \$ 6,942 | \$ 6,630 | \$ 7,199 | \$ 7,768 |
| Pittsburg State University | KS | C | \$ 5,445 | \$ 5,482 | \$ 5,551 | \$ 6,218 | \$ 6,528 |
| Washburn University | KS | NC | \$ 6,388 | \$ 6,227 | \$ 6,831 | \$ 7,284 | \$ 7,199 |
| Kentucky State University | KY | LC | \$11,024 | \$10,572 | \$10,749 | \$12,779 | \$13,240 |
| Northern Kentucky University | KY | NC | \$ 4,135 | \$ 4,206 | \$ 4,334 | \$ 4,860 | \$ 4,925 |
| Western Kentucky University | KY | LC | \$ 4,617 | \$ 4,808 | \$ 4,956 | \$ 5,346 | \$ 5,668 |
| Grambling State University | LA | NC | \$ 4,053 | \$ 4,783 | \$ 4,737 | \$ 6,706 | \$ 7,134 |
| Southern University at New Orleans | LA | NC | \$ 4,247 | \$ 3,902 | \$ 4,140 | \$ 6,773 | \$ 8,233 |
| Louisiana State University-Shreveport | LA | LC | \$ 3,614 | \$ 3,905 | \$ 3,672 | \$ 6,170 | \$ 6,459 |
| McNeese State University | LA | LC | \$ 3,807 | \$ 4,332 | \$ 4,377 | \$ 6,716 | \$ 6,766 |
| Bridgewater State University | MA | C | \$ 4,808 | \$ 4,774 | \$ 4,294 | \$ 5,585 | \$ 6,788 |
| Worcester State University | MA | C | \$ 5,455 | \$ 5,928 | \$ 5,269 | \$ 6,685 | \$ 7,717 |
| Fitchburg State University | MA | C | \$ 6,453 | \$ 6,224 | \$ 5,257 | \$ 6,698 | \$ 7,843 |
| Salem State University | MA | LC | \$ 6,360 | \$ 6,139 | \$ 5,218 | \$ 6,629 | \$ 7,564 |
| Bowie State University | MD | C | \$ 8,084 | \$ 7,691 | \$ 7,100 | \$ 8,134 | \$ 8,059 |
| Frostburg State University | MD | C | \$ 7,154 | \$ 6,679 | \$ 6,175 | \$ 7,276 | \$ 7,385 |
| Coppin State University | MD | C | \$13,175 | \$12,377 | \$12,033 | \$11,428 | \$10,900 |
| University of Maine at Fort Kent | ME | LC | \$ 5,804 | \$ 5,795 | \$ 5,795 | \$ 5,956 | \$ 5,130 |
| University of Maine at Presque Isle | ME | LC | \$ 6,127 | \$ 5,868 | \$ 6,137 | \$ 6,047 | \$ 5,885 |
| Central Michigan University | MI | C | \$ 3,031 | \$ 3,500 | \$ 3,759 | \$ 3,957 | \$ 4,350 |
| University of Michigan-Flint | MI | C | \$ 3,015 | \$ 3,528 | \$ 3,811 | \$ 4,382 | \$ 5,012 |
| Eastern Michigan University | MI | C | \$ 3,864 | \$ 4,428 | \$ 4,676 | \$ 5,126 | \$ 5,391 |
| Lake Superior State University | MI | LC | \$ 4,578 | \$ 5,511 | \$ 5,816 | \$ 6,145 | \$ 6,388 |
| Southwest Minnesota State University | MN | C | \$ 3,545 | \$ 3,836 | \$ 3,958 | \$ 4,719 | \$ 4,880 |
| Minnesota State University Moorhead | MN | C | \$ 4,319 | \$ 4,627 | \$ 4,983 | \$ 5,643 | \$ 5,566 |
| Minnesota State University-Mankato | MN | LC | \$ 3,636 | \$ 3,988 | \$ 4,358 | \$ 5,030 | \$ 4,952 |
| University of Minnesota-Crookston | MN | LC | \$ 4,760 | \$ 6,061 | \$ 7,318 | \$ 8,618 | \$ 8,380 |
| Lincoln University | MO | NC | \$ 6,540 | \$ 7,100 | \$ 8,142 | \$ 8,512 | \$ 7,950 |
| Northwest Missouri State University | MO | C | \$ 4,694 | \$ 5,000 | \$ 5,562 | \$ 5,848 | \$ 5,801 |
| Missouri Southern State University | MO | C | \$ 4,948 | \$ 4,994 | \$ 5,595 | \$ 6,118 | \$ 5,371 |
| Missouri Western State University | MO | NC | \$ 4,103 | \$ 4,440 | \$ 5,358 | \$ 8,296 | \$ 5,902 |
| Mississippi State University | MS | C | \$ 9,402 | \$ 9,018 | \$10,352 | \$12,072 | \$13,308 |
| Alcorn State University | MS | C | \$ 8,355 | \$ 8,726 | \$10,363 | \$11,092 | \$ 9,955 |
| Delta State University | MS | C | \$ 5,719 | \$ 5,519 | \$ 6,616 | \$ 7,437 | \$ 7,524 |
| Mississippi University for Women | MS | LC | \$ 6,481 | \$ 5,669 | \$ 6,791 | \$ 8,243 | \$ 8,637 |
| Mississippi Valley State University | MS | LC | \$ 9,109 | \$ 7,348 | \$ 7,360 | \$ 8,366 | \$ 8,399 |
| Montana State University-Northern | MT | NC | \$ 8,962 | \$ 7,048 | \$ 7,775 | \$ 9,569 | \$ 9,696 |

| | | | | | | | |
|--|----|----|----------|----------|----------|----------|----------|
| Montana State University Billings | MT | LC | \$ 4,784 | \$ 5,199 | \$ 5,559 | \$ 7,375 | \$ 6,421 |
| The University of Montana-Western | MT | LC | \$ 5,699 | \$ 4,496 | \$ 5,006 | \$ 6,719 | \$ 6,578 |
| East Carolina University | NC | LC | \$12,159 | \$11,754 | \$12,011 | \$11,276 | \$13,173 |
| North Carolina Central University | NC | LC | \$12,172 | \$11,659 | \$12,218 | \$11,994 | \$12,948 |
| Fayetteville State University | NC | LC | \$10,723 | \$10,493 | \$10,742 | \$10,658 | \$11,307 |
| Elizabeth City State University | NC | LC | \$13,693 | \$11,548 | \$12,168 | \$12,548 | \$13,149 |
| Dickinson State University | ND | NC | \$ 8,478 | \$ 5,375 | \$ 5,097 | \$ 4,209 | \$ 4,253 |
| Mayville State University | ND | NC | \$ 9,365 | \$ 9,045 | \$ 9,318 | \$ 9,835 | \$ 9,470 |
| Valley City State University | ND | NC | \$ 8,848 | \$ 8,889 | \$10,401 | \$ 9,536 | \$ 8,875 |
| Chadron State College | NE | NC | \$ 7,228 | \$ 7,557 | \$ 7,805 | \$ 8,078 | \$ 7,602 |
| Peru State College | NE | NC | \$ 5,292 | \$ 5,043 | \$ 5,288 | \$ 5,854 | \$ 5,378 |
| Wayne State College | NE | NC | \$ 6,736 | \$ 7,168 | \$ 7,340 | \$ 7,193 | \$ 6,702 |
| Keene State College | NH | C | \$ 1,443 | \$ 2,716 | \$ 2,809 | \$ 2,913 | \$ 2,886 |
| Plymouth State University | NH | C | \$ 1,482 | \$ 2,734 | \$ 2,741 | \$ 2,674 | \$ 2,744 |
| Kean University | NJ | C | \$ 4,905 | \$ 4,858 | \$ 5,372 | \$ 6,378 | \$ 6,934 |
| William Paterson University of New Jersey | NJ | C | \$ 6,212 | \$ 6,275 | \$ 6,857 | \$ 7,658 | \$ 7,939 |
| Montclair State University | NJ | C | \$ 5,211 | \$ 5,323 | \$ 5,424 | \$ 5,924 | \$ 6,326 |
| New Mexico Highlands University | NM | NC | \$10,159 | \$10,494 | \$12,042 | \$13,817 | \$15,029 |
| New Mexico State University-Main Campus | NM | LC | \$10,053 | \$ 9,878 | \$11,137 | \$12,834 | \$13,458 |
| Western New Mexico University | NM | LC | \$ 7,400 | \$ 7,423 | \$ 8,659 | \$11,516 | \$12,559 |
| University of Nevada-Las Vegas | NV | C | \$ 7,168 | \$ 7,776 | \$ 5,497 | \$ 9,652 | \$ 9,675 |
| University of Nevada-Reno | NV | NC | \$10,176 | \$12,213 | \$10,340 | \$15,806 | \$16,310 |
| CUNY College of Staten Island | NY | NC | \$ 6,050 | \$ 5,963 | \$ 6,146 | \$ 6,424 | \$ 7,144 |
| CUNY Lehman College | NY | LC | \$ 8,332 | \$ 8,350 | \$ 8,290 | \$ 8,785 | \$ 9,081 |
| CUNY Medgar Evers College | NY | NC | \$ 8,348 | \$ 8,978 | \$ 7,616 | \$ 9,831 | \$10,859 |
| CUNY New York City College of Technology | NY | NC | \$ 4,919 | \$ 5,401 | \$ 5,241 | \$ 6,039 | \$ 6,130 |
| CUNY York College | NY | NC | \$ 6,831 | \$ 7,740 | \$ 7,672 | \$ 8,028 | \$ 8,062 |
| SUNY Institute of Technology at Utica-Rome | NY | C | \$11,278 | \$12,496 | \$14,694 | \$16,353 | \$17,081 |
| Ohio State University-Lima Campus | OH | C | \$ 3,297 | \$ 3,346 | \$ 3,689 | \$ 4,186 | \$ 4,109 |
| Ohio State University-Mansfield Campus | OH | C | \$ 4,003 | \$ 4,438 | \$ 4,400 | \$ 5,031 | \$ 4,709 |
| Ohio State University-Marion Campus | OH | C | \$ 3,732 | \$ 3,412 | \$ 3,553 | \$ 3,843 | \$ 3,776 |
| Ohio State University-Newark Campus | OH | C | \$ 2,650 | \$ 3,248 | \$ 3,596 | \$ 3,364 | \$ 3,096 |
| Shawnee State University | OH | NC | \$ 3,958 | \$ 3,865 | \$ 4,204 | \$ 5,332 | \$ 5,366 |
| University of Akron Main Campus | OH | NC | \$ 4,397 | \$ 4,363 | \$ 4,737 | \$ 5,830 | \$ 5,606 |
| University of Toledo | OH | NC | \$ 5,590 | \$ 5,504 | \$ 5,689 | \$ 6,461 | \$ 6,747 |
| Youngstown State University | OH | NC | \$ 3,358 | \$ 3,251 | \$ 3,535 | \$ 4,646 | \$ 4,324 |
| Cameron University | OK | NC | \$ 4,437 | \$ 4,777 | \$ 5,137 | \$ 5,972 | \$ 5,890 |
| Langston University | OK | LC | \$ 7,969 | \$ 8,099 | \$ 8,087 | \$ 8,952 | \$ 8,706 |
| Northwestern Oklahoma State University | OK | NC | \$ 5,641 | \$ 5,321 | \$ 5,881 | \$ 6,984 | \$ 7,063 |
| Oklahoma Panhandle State University | OK | NC | \$ 5,793 | \$ 6,113 | \$ 6,702 | \$ 7,792 | \$ 7,990 |
| Eastern Oregon University | OR | C | \$ 4,581 | \$ 5,296 | \$ 5,985 | \$ 5,776 | \$ 8,713 |
| Oregon Institute of Technology | OR | C | \$ 5,663 | \$ 6,812 | \$ 6,670 | \$ 6,785 | \$10,035 |
| Oregon State University | OR | C | \$ 6,432 | \$ 7,353 | \$ 8,413 | \$ 8,792 | \$10,959 |
| Cheyney University of Pennsylvania | PA | LC | \$12,233 | \$ 9,858 | \$11,108 | \$12,587 | \$11,923 |

| | | | | | | | |
|--|----|----|----------|----------|----------|----------|----------|
| University of Pittsburgh-Johnstown | PA | LC | - | - | - | - | - |
| Pennsylvania College of Technology | PA | NC | - | - | - | - | - |
| Rhode Island College | RI | LC | \$ 5,600 | \$ 5,381 | \$ 5,498 | \$ 6,151 | \$ 6,860 |
| University of Rhode Island | RI | C | \$ 4,222 | \$ 4,062 | \$ 4,175 | \$ 4,851 | \$ 5,989 |
| Coastal Carolina University | SC | C | \$ 1,154 | \$ 1,299 | \$ 1,728 | \$ 2,010 | \$ 2,760 |
| University of South Carolina-Upstate | SC | C | \$ 1,793 | \$ 1,863 | \$ 2,398 | \$ 2,828 | \$ 3,807 |
| South Carolina State University | SC | LC | \$ 3,868 | \$ 3,666 | \$ 4,989 | \$ 5,485 | \$ 7,568 |
| University of South Carolina-Aiken | SC | LC | \$ 2,271 | \$ 2,395 | \$ 3,065 | \$ 3,582 | \$ 4,678 |
| Black Hills State University | SD | LC | \$ 2,316 | \$ 2,233 | \$ 2,606 | \$ 2,733 | \$ 2,953 |
| Northern State University | SD | C | \$ 5,302 | \$ 5,141 | \$ 6,032 | \$ 5,673 | \$ 6,752 |
| Oglala Lakota College | SD | NC | - | - | - | - | - |
| Austin Peay State University | TN | C | \$ 3,245 | \$ 4,326 | \$ 3,909 | \$ 4,790 | \$ 5,454 |
| Tennessee State University | TN | C | \$ 5,143 | \$ 6,928 | \$ 5,925 | \$ 7,180 | \$ 7,079 |
| East Tennessee State University | TN | C | \$ 6,077 | \$ 7,765 | \$ 7,235 | \$ 8,449 | \$ 9,344 |
| Middle Tennessee State University | TN | C | \$ 3,461 | \$ 4,572 | \$ 4,101 | \$ 4,895 | \$ 5,426 |
| Angelo State University | TX | NC | \$ 4,872 | \$ 5,212 | \$ 5,980 | \$ 6,035 | \$ 6,126 |
| The University of Texas at El Paso | TX | NC | \$ 5,247 | \$ 5,284 | \$ 6,540 | \$ 6,648 | \$ 6,498 |
| University of Houston-Downtown | TX | NC | \$ 2,919 | \$ 3,996 | \$ 4,103 | \$ 4,385 | \$ 4,387 |
| Southern Utah University | UT | C | \$ 4,836 | \$ 4,561 | \$ 4,706 | \$ 5,510 | \$ 6,268 |
| Utah State University | UT | LC | \$ 8,489 | \$ 8,852 | \$ 9,920 | \$11,247 | \$12,371 |
| Weber State University | UT | NC | \$ 3,757 | \$ 3,831 | \$ 4,075 | \$ 4,853 | \$ 5,723 |
| Longwood University | VA | C | \$ 6,175 | \$ 6,749 | \$ 6,633 | \$ 8,113 | \$ 7,961 |
| Radford University | VA | C | \$ 5,471 | \$ 6,199 | \$ 6,642 | \$ 7,040 | \$ 7,238 |
| Virginia Commonwealth University | VA | C | \$ 6,966 | \$ 7,256 | \$ 7,263 | \$ 8,940 | \$ 9,487 |
| Norfolk State University | VA | LC | \$ 7,862 | \$ 8,112 | \$ 7,963 | \$10,004 | \$10,636 |
| Castleton State College | VT | C | \$ 2,477 | \$ 2,609 | \$ 2,927 | \$ 2,707 | \$ 2,745 |
| Johnson State College | VT | C | \$ 3,484 | \$ 3,637 | \$ 3,905 | \$ 3,586 | \$ 3,667 |
| Lyndon State College | VT | C | \$ 3,811 | \$ 4,102 | \$ 4,264 | \$ 4,077 | \$ 3,992 |
| Central Washington University | WA | C | \$ 3,309 | \$ 4,087 | \$ 4,855 | \$ 6,424 | \$ 6,421 |
| Washington State University | WA | C | \$ 6,525 | \$ 8,306 | \$ 9,422 | \$11,838 | \$12,201 |
| Eastern Washington University | WA | C | \$ 3,368 | \$ 4,335 | \$ 5,290 | \$ 7,066 | \$ 6,559 |
| University of Wisconsin-Oshkosh | WI | LC | \$ 3,380 | \$ 3,976 | \$ 4,180 | \$ 4,408 | \$ 3,957 |
| University of Wisconsin-Parkside | WI | LC | \$ 6,212 | \$ 6,606 | \$ 6,156 | \$ 6,294 | \$ 6,065 |
| University of Wisconsin-River Falls | WI | LC | \$ 3,774 | \$ 4,599 | \$ 4,245 | \$ 4,755 | \$ 5,186 |
| Glennville State College | WV | NC | \$ 5,118 | \$ 4,277 | \$ 4,687 | \$ 5,860 | \$ 5,402 |
| Bluefield State College | WV | LC | \$ 4,086 | \$ 3,435 | \$ 3,636 | \$ 4,248 | \$ 4,268 |
| Concord University | WV | LC | \$ 4,181 | \$ 4,051 | \$ 4,168 | \$ 4,236 | \$ 4,326 |
| West Virginia State University | WV | NC | \$ 5,775 | \$ 4,719 | \$ 4,448 | \$ 5,590 | \$ 6,374 |
| West Virginia University Institute of Technology | WV | NC | - | - | - | - | - |
| University of Wyoming | WY | C | \$20,695 | \$19,964 | \$20,270 | \$21,848 | \$18,989 |

* NC (Noncompetitive), LC (Less Competitive), C (Competitive). See Table B.4 for *Barron's* definitions of degrees of admissions competitiveness.

Table B.2: Online FTE Students Resident in the 50 States and D.C. Who Were Enrolled in Proprietary Institutions that Reported Them as Resident Outside the Reporting State (by State, Type of Institution, and Year)

| State | Fall 2011 | Fall 2010 | Fall 2009 | Fall 2008 | Fall 2007 | TOTAL |
|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| AK 2-Year | 509 | 639 | 576 | 416 | 295 | 2,434 |
| AK 4-Year | 867 | 796 | 657 | 513 | 367 | 3,200 |
| AL 2-Year | 3,714 | 4,285 | 3,125 | 1,877 | 1,297 | 14,297 |
| AL 4-Year | 3,937 | 3,462 | 2,575 | 1,652 | 1,147 | 12,774 |
| AR 2-Year | 1,544 | 2,011 | 1,688 | 1,140 | 824 | 7,207 |
| AR 4-Year | 1,597 | 1,592 | 1,534 | 1,017 | 718 | 6,459 |
| AZ 2-Year | 3,884 | 5,236 | 4,525 | 3,248 | 2,367 | 19,260 |
| AZ 4-Year | 5,670 | 5,676 | 4,703 | 3,722 | 2,959 | 22,729 |
| CA 2-Year | 9,707 | 13,035 | 11,724 | 8,609 | 6,538 | 49,613 |
| CA 4-Year | 19,185 | 19,059 | 16,092 | 12,043 | 9,296 | 75,676 |
| CO 2-Year | 2,606 | 3,266 | 2,879 | 2,075 | 1,606 | 12,432 |
| CO 4-Year | 3,903 | 3,499 | 2,979 | 2,263 | 1,722 | 14,367 |
| CT 2-Year | 1,017 | 1,478 | 1,376 | 882 | 585 | 5,339 |
| CT 4-Year | 1,195 | 1,256 | 1,102 | 880 | 696 | 5,128 |
| DC 2-Year | 114 | 127 | 86 | 80 | 54 | 462 |
| DC 4-Year | 270 | 263 | 221 | 155 | 106 | 1,015 |
| DE 2-Year | 560 | 661 | 554 | 339 | 251 | 2,365 |
| DE 4-Year | 738 | 572 | 487 | 368 | 276 | 2,441 |
| FL 2-Year | 8,432 | 10,933 | 9,491 | 6,379 | 4,131 | 39,366 |
| FL 4-Year | 11,589 | 11,700 | 9,686 | 7,282 | 5,236 | 45,494 |
| GA 2-Year | 9,588 | 11,734 | 9,082 | 5,654 | 3,951 | 40,010 |
| GA 4-Year | 12,045 | 11,399 | 8,936 | 6,263 | 4,375 | 43,018 |
| HI 2-Year | 779 | 893 | 795 | 585 | 460 | 3,512 |
| HI 4-Year | 1,438 | 1,323 | 1,077 | 811 | 631 | 5,281 |
| IA 2-Year | 1,135 | 1,525 | 1,351 | 953 | 646 | 5,610 |
| IA 4-Year | 1,646 | 1,703 | 1,481 | 1,127 | 872 | 6,830 |
| ID 2-Year | 1,418 | 1,674 | 1,231 | 761 | 526 | 5,611 |
| ID 4-Year | 1,403 | 1,207 | 939 | 651 | 489 | 4,688 |
| IL 2-Year | 2,488 | 3,683 | 3,431 | 2,152 | 1,667 | 13,420 |
| IL 4-Year | 6,716 | 6,395 | 5,388 | 4,008 | 2,937 | 25,444 |
| IN 2-Year | 3,690 | 4,790 | 4,060 | 2,455 | 1,640 | 16,635 |
| IN 4-Year | 3,394 | 3,367 | 2,710 | 1,859 | 1,314 | 12,644 |
| KS 2-Year | 1,385 | 1,843 | 1,609 | 1,194 | 789 | 6,819 |
| KS 4-Year | 1,535 | 1,379 | 1,175 | 939 | 718 | 5,746 |
| KY 2-Year | 2,445 | 3,086 | 2,519 | 1,598 | 1,074 | 10,722 |
| KY 4-Year | 2,395 | 2,365 | 1,886 | 1,343 | 942 | 8,931 |
| LA 2-Year | 2,857 | 3,658 | 2,927 | 1,956 | 1,445 | 12,843 |
| LA 4-Year | 3,344 | 3,190 | 2,495 | 1,747 | 1,214 | 11,990 |
| MA 2-Year | 1,222 | 1,668 | 1,444 | 1,058 | 700 | 6,092 |

| | | | | | | |
|-----------|--------|--------|-------|-------|-------|--------|
| MA 4-Year | 1,585 | 1,606 | 1,394 | 1,073 | 847 | 6,504 |
| MD 2-Year | 2,933 | 3,784 | 3,575 | 2,480 | 1,755 | 14,527 |
| MD 4-Year | 4,386 | 4,325 | 3,737 | 2,970 | 2,359 | 17,776 |
| ME 2-Year | 684 | 811 | 677 | 476 | 320 | 2,968 |
| ME 4-Year | 723 | 584 | 541 | 380 | 269 | 2,498 |
| MI 2-Year | 5,584 | 7,543 | 6,082 | 3,884 | 2,389 | 25,482 |
| MI 4-Year | 5,461 | 5,300 | 4,231 | 3,025 | 2,160 | 20,177 |
| MN 2-Year | 1,469 | 1,962 | 1,764 | 1,258 | 825 | 7,277 |
| MN 4-Year | 1,949 | 2,187 | 1,830 | 1,433 | 1,171 | 8,569 |
| MO 2-Year | 3,368 | 4,463 | 4,003 | 2,631 | 1,785 | 16,250 |
| MO 4-Year | 3,850 | 3,669 | 3,032 | 2,150 | 1,552 | 14,252 |
| MS 2-Year | 3,377 | 5,974 | 4,020 | 1,461 | 943 | 15,776 |
| MS 4-Year | 2,759 | 3,934 | 2,350 | 1,439 | 850 | 11,333 |
| MT 2-Year | 604 | 738 | 576 | 395 | 293 | 2,606 |
| MT 4-Year | 799 | 703 | 542 | 405 | 290 | 2,739 |
| NC 2-Year | 21,892 | 10,042 | 8,036 | 4,838 | 3,178 | 47,986 |
| NC 4-Year | 9,551 | 9,296 | 6,975 | 4,838 | 3,416 | 34,076 |
| ND 2-Year | 212 | 250 | 211 | 168 | 119 | 960 |
| ND 4-Year | 394 | 374 | 318 | 225 | 157 | 1,467 |
| NE 2-Year | 624 | 843 | 715 | 505 | 320 | 3,006 |
| NE 4-Year | 748 | 757 | 642 | 474 | 343 | 2,965 |
| NH 2-Year | 486 | 610 | 525 | 355 | 244 | 2,220 |
| NH 4-Year | 532 | 513 | 429 | 342 | 283 | 2,099 |
| NJ 2-Year | 2,436 | 3,359 | 3,078 | 2,204 | 1,548 | 12,625 |
| NJ 4-Year | 3,496 | 3,620 | 3,171 | 2,705 | 2,332 | 15,325 |
| NM 2-Year | 773 | 1,016 | 844 | 599 | 431 | 3,664 |
| NM 4-Year | 1,436 | 1,298 | 1,034 | 817 | 607 | 5,193 |
| NV 2-Year | 1,520 | 1,868 | 1,515 | 991 | 696 | 6,590 |
| NV 4-Year | 2,338 | 2,119 | 1,646 | 1,170 | 863 | 8,137 |
| NY 2-Year | 5,115 | 7,084 | 6,211 | 4,073 | 3,127 | 25,610 |
| NY 4-Year | 6,417 | 6,607 | 5,769 | 4,396 | 3,608 | 26,796 |
| OH 2-Year | 7,909 | 10,522 | 8,928 | 5,493 | 3,498 | 36,350 |
| OH 4-Year | 7,758 | 7,695 | 6,175 | 4,232 | 3,075 | 28,934 |
| OK 2-Year | 1,887 | 2,572 | 2,214 | 1,528 | 1,088 | 9,288 |
| OK 4-Year | 2,239 | 2,153 | 1,715 | 1,212 | 874 | 8,193 |
| OR 2-Year | 1,701 | 2,142 | 1,705 | 1,023 | 791 | 7,361 |
| OR 4-Year | 1,842 | 1,696 | 1,395 | 1,056 | 797 | 6,787 |
| PA 2-Year | 5,783 | 7,746 | 6,732 | 4,542 | 2,770 | 27,573 |
| PA 4-Year | 6,556 | 6,949 | 5,891 | 4,443 | 3,359 | 27,197 |
| RI 2-Year | 254 | 319 | 276 | 192 | 128 | 1,169 |
| RI 4-Year | 323 | 302 | 247 | 204 | 165 | 1,242 |
| SC 2-Year | 3,555 | 4,369 | 3,662 | 2,223 | 1,464 | 15,273 |
| SC 4-Year | 4,696 | 4,405 | 3,464 | 2,558 | 1,818 | 16,942 |
| SD 2-Year | 332 | 428 | 337 | 263 | 186 | 1,545 |

| | | | | | | |
|--------------------|---------|---------|---------|---------|---------|-----------|
| SD 4-Year | 471 | 440 | 364 | 260 | 205 | 1,741 |
| TN 2-Year | 3,787 | 4,850 | 4,009 | 2,540 | 1,774 | 16,961 |
| TN 4-Year | 4,257 | 3,985 | 3,259 | 2,323 | 1,625 | 15,449 |
| TX 2-Year | 13,322 | 19,293 | 16,858 | 10,725 | 7,540 | 67,739 |
| TX 4-Year | 18,759 | 18,863 | 15,909 | 11,555 | 8,661 | 73,746 |
| UT 2-Year | 959 | 1,329 | 1,069 | 703 | 549 | 4,610 |
| UT 4-Year | 1,596 | 1,482 | 1,185 | 829 | 654 | 5,746 |
| VA 2-Year | 5,079 | 6,485 | 5,602 | 3,624 | 2,434 | 23,226 |
| VA 4-Year | 6,858 | 6,659 | 5,764 | 4,526 | 3,502 | 27,308 |
| VT 2-Year | 506 | 218 | 188 | 144 | 113 | 1,169 |
| VT 4-Year | 214 | 216 | 189 | 151 | 106 | 877 |
| WA 2-Year | 3,109 | 4,022 | 3,289 | 2,295 | 1,692 | 14,407 |
| WA 4-Year | 4,582 | 4,356 | 3,611 | 2,841 | 2,354 | 17,744 |
| WI 2-Year | 3,063 | 4,107 | 3,489 | 2,316 | 1,587 | 14,561 |
| WI 4-Year | 3,314 | 3,220 | 2,507 | 1,885 | 1,419 | 12,344 |
| WV 2-Year | 1,050 | 1,279 | 997 | 654 | 425 | 4,404 |
| WV 4-Year | 1,155 | 1,076 | 888 | 618 | 434 | 4,171 |
| WY 2-Year | 378 | 481 | 379 | 254 | 178 | 1,670 |
| WY 4-Year | 490 | 468 | 385 | 280 | 220 | 1,845 |
| TOTAL FTE STUDENTS | 357,245 | 387,796 | 322,751 | 223,708 | 161,429 | 1,452,929 |

Table B.3: Appropriations Received by Proprietary Institutions For the Benefit of Individual Students that Were Subtracted from the Total Additional Appropriations Needed by State (in 2013 Dollars)

| 4-Year Institutions | | | 2-Year Institutions | | |
|---------------------|---------------|-------------------|---------------------|---------------|-------------------|
| State | 2008-2012 | AY02-03 - AY11-12 | State | 2008-2012 | AY05-06 - AY11-12 |
| AK | - | - | AK | - | - |
| AL | \$ 1,778,369 | \$ 1,814,414 | AL | - | - |
| AR | - | - | AR | - | - |
| AZ | \$ 4,318,415 | \$ 4,390,436 | AZ | \$ 684,001 | \$ 959,356 |
| CA | \$ 77,288,364 | \$ 88,010,531 | CA | \$ 43,684,447 | \$ 59,226,294 |
| CO | \$ 3,023,233 | \$ 3,129,403 | CO | \$ 2,388,485 | \$ 3,677,044 |
| CT | \$ 8,093,887 | \$ 12,593,740 | CT | \$ 2,177 | \$ 2,177 |
| DC | - | - | DC | - | - |
| DE | - | - | DE | - | - |
| FL | \$ 21,418,689 | \$ 23,505,796 | FL | \$ 10,629,325 | \$ 12,411,817 |
| GA | \$ 29,874,120 | \$ 32,189,276 | GA | \$ 836,772 | \$ 836,772 |
| HI | \$ 1,084,073 | \$ 1,084,073 | HI | - | - |
| IA | \$ 47,541,144 | \$ 83,089,222 | IA | - | - |
| ID | \$ 712,482 | \$ 712,526 | ID | - | - |
| IL | \$ 21,987,153 | \$ 21,987,153 | IL | \$ 16,248,911 | \$ 26,367,342 |

| | | |
|--------------|-----------------------|-----------------------|
| IN | \$ 15,894,032 | \$ 16,472,396 |
| KS | \$ 56,892 | \$ 56,892 |
| KY | \$ 27,500,899 | \$ 37,702,604 |
| LA | - | - |
| MA | \$ 3,800,957 | \$ 3,800,957 |
| MD | \$ 1,830,727 | \$ 4,843,854 |
| ME | \$ 1,858,304 | \$ 3,123,081 |
| MI | \$ 853,458 | \$ 853,458 |
| MN | \$ 14,073,321 | \$ 21,127,053 |
| MO | \$ 256,939 | \$ 273,082 |
| MS | \$ - | - |
| MT | \$ - | - |
| NC | \$ 390,942 | \$ 390,942 |
| ND | - | - |
| NE | \$ 4,007,766 | \$ 7,564,282 |
| NH | \$ 2,589,290 | \$ 6,206,980 |
| NJ | - | - |
| NM | 2,042,761 | \$ 2,042,761 |
| NV | \$ 1,123,915 | \$ 1,123,915 |
| NY | \$ 33,794,044 | \$ 99,558,522 |
| OH | \$ 20,675,554 | \$ 20,675,554 |
| OK | \$ 119,056 | \$ 119,056 |
| OR | \$ 270,774 | \$ 270,774 |
| PA | \$ 25,269,691 | \$ 25,269,691 |
| RI | - | - |
| SC | \$ 4,962,303 | \$ 4,962,303 |
| SD | - | - |
| TN | \$ 4,232,047 | \$ 4,831,869 |
| TX | \$ 7,172,908 | \$ 7,172,908 |
| UT | \$ 1,018,240 | \$ 1,062,918 |
| VA | \$ 16,061,641 | \$ 21,251,585 |
| VT | \$ 9,276,273 | \$ 9,276,273 |
| WA | \$ 5,870,440 | \$ 5,870,440 |
| WI | - | - |
| WV | - | - |
| WY | - | - |
| TOTAL | \$ 422,123,106 | \$ 578,410,724 |

| | | |
|--------------|-----------------------|-----------------------|
| IN | \$ 2,039,605 | \$ 3,358,573 |
| KS | \$ 1,288,922 | \$ 1,288,922 |
| KY | \$ 2,185,917 | \$ 2,629,524 |
| LA | \$ 2,095 | \$ 2,095 |
| MA | \$ 756,138 | \$ 866,750 |
| MD | \$ 1,274,132 | \$ 2,076,081 |
| ME | - | - |
| MI | \$ 50,136 | \$ 50,136 |
| MN | \$ 125,351 | \$ 125,351 |
| MO | \$ 4,788,093 | \$ 5,843,856 |
| MS | - | - |
| MT | - | - |
| NC | - | - |
| ND | - | - |
| NE | \$ 45,116 | \$ 98,536 |
| NH | - | - |
| NJ | - | - |
| NM | - | - |
| NV | \$ 581,147 | \$ 1,021,348 |
| NY | \$ 20,088,942 | \$ 26,006,177 |
| OH | \$ 27,978,236 | \$ 39,094,359 |
| OK | \$ 2,366 | \$ 2,366 |
| OR | \$ 4,358,044 | \$ 5,077,052 |
| PA | \$ 46,345,700 | \$ 70,376,493 |
| RI | - | - |
| SC | \$ 59,606 | \$ 62,462 |
| SD | - | - |
| TN | \$ 7,527,866 | \$ 9,255,509 |
| TX | \$ 10,538,519 | \$ 16,076,951 |
| UT | \$ 490,829 | \$ 490,829 |
| VA | \$ 1,476,984 | \$ 1,980,265 |
| VT | - | - |
| WA | \$ 25,620 | \$ 25,620 |
| WI | - | - |
| WV | \$ 1,685,165 | \$ 2,241,721 |
| WY | - | - |
| TOTAL | \$ 208,188,648 | \$ 291,531,779 |

Table B.4: Barron’s Levels of Admissions Competitiveness

| Degree of Admissions Competitiveness | General Criteria | Institutions* (Percentage) | Students* (Percentage) |
|--------------------------------------|---|----------------------------|------------------------|
| Noncompetitive (NC) | Only requires evidence of graduation from an accredited high school; acceptance of 98% or more of applicants. | 78 (5.6) | 325,332 (4.0) |
| Less Competitive (LC) | Median freshman test scores generally below 500 on the SAT and below 21 on the ACT; admit students with average high school GPAs below C and who rank in top 65% of the graduating class; accept 85% or more of applicants. | 185 (13.4) | 713,321 (8.8) |
| Competitive (C) | Median freshman test scores between 500 and 572 on SAT and between 21 and 23 on ACT; admit students with minimum high school GPAs between C and B-; accept between 75% and 85% of applicants. | 660 (47.7) | 3,372,603 (41.5) |
| Very Competitive (VC) | Median freshman test scores between 573 and 619 on SAT and between 24 and 26 on ACT; admit students with average high school GPAs no less than B-; accept between 50% and 75% of applicants. | 274 (19.8) | 2,025,954 (24.9) |
| Highly Competitive (HC) | Median freshman test scores between 620 and 654 on SAT and between 27 and 28 on ACT; admit students with average high school GPAs no less than B; accept between 33% and 50% of applicants. | 107 (7.7) | 1,050,497 (12.9) |
| Most Competitive (MC) | Median freshman test scores between 655 and 800 on SAT and 29 and above on ACT; admit students with average high school GPAs no less than B+ and who rank in top 10% to 20% of graduating class; accept fewer than 33% of applicants. | 81 (5.8) | 641,852 (7.9) |
| Total | | 1,385 | 8,129,559 |

Note: ACT = American College Test; GPA = grade point average; SAT = Scholastic Assessment Test.

*Hess, F. M., Schneider, M., Carey, K., & Kelly, A. P. (2009). *Diplomas and dropouts: Which colleges actually graduate their students (and which don't)* (Table A1). Washington, DC: American Enterprise Institute.