



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
NY 12234

To: Higher Education Committee

From: John L. D'Agati

Subject: Permission to Operate: Strayer University at the Verizon
Wireless Call Center in Rochester

Date: September 6, 2011

Authorizations:

SUMMARY

Issue for Decision

Should the Regents give Strayer University permission to offer undergraduate courses in the field of business, through a contractual agreement, to the employees of the Verizon Wireless Call Center in Rochester?

Reason(s) for Consideration

Required by State statute and State regulation.

Proposed Handling

This matter will come before the Higher Education Committee at its September 2011 meeting, where it will be voted on. It then will come before the full Board at its September meeting for action.

Background Information

Strayer University, a degree-granting proprietary institution based in Washington, D.C., has applied to the Board of Regents for permission to operate in New York State. It seeks authorization to offer business administration courses on a contract basis to Verizon Wireless employees at the Verizon Wireless Call Center, 133 Calkins Road, Rochester. Enrollment in the courses would be limited to Verizon Wireless employees at that location.

Education Law §224(1)(a) and Section 3.56 of the Regents Rules prohibit any operation by out-of-state higher education institutions in New York without prior permission of the Board.

Recommendation

It is recommended that the Board of Regents grant permission to Strayer University to operate in New York and offer undergraduate courses in the field of business to employees of the Verizon Wireless Call Center at 133 Calkins Road in Rochester, for a term of one year commencing with the date of filing with the Commissioner of notice that instruction has commenced, upon the condition that enrollment in the courses not exceed 30 students per term, without the specific approval of the Commissioner.

Permission to operate beyond one year from the date of the initial course offering will be contingent on demonstration of compliance with all Department standards, and all commitments consistent with Strayer's application, as determined by the Commissioner.

Information in Support of Recommendation

Institutional Profile

Strayer University is owned by Strayer Education, Inc., a publicly traded corporation. It was founded in 1892 in Baltimore, Maryland, as Strayer's Business College of Baltimore City. It became a degree-granting institution in 1970. Since 1981, Strayer has been accredited by the Middle States Commission on Higher Education. The University has 87 campuses in 20 states and the District of Columbia, mostly along the eastern seaboard and Gulf coast. Strayer reported that it had opened 13 new campuses during 2010, in the states of New Jersey, Florida, Arkansas, Mississippi, Texas, Louisiana, and Georgia. Strayer's total enrollment for the spring 2010 term was 55,970 students, a 22 percent increase over the same term the previous spring.

Across its campuses, Strayer offers undergraduate and graduate degree programs (certificate/diploma, associate, baccalaureate, master's) in business administration, accounting, information technology, education, health services administration, public administration, human resource management, criminal justice, and economics. All Strayer programs are also available online. Strayer reported in a July 2010 release that the total number of students taking at least one class online is over 38,000.

Selection of Strayer University by Verizon Wireless

According to Strayer, in early 2000 Verizon Wireless identified a need for higher education opportunities for its call center employees nationwide. The goal is to increase the business knowledge and skills of the Verizon Wireless workforce, improve overall customer service, and better compete for and retain call center employees. In 2005, Verizon Wireless chose Strayer to serve as an on-site educational provider at its call centers, for the following reasons:

- (1) Strayer's mission, which is dedicated to serving working adults.
- (2) Its regional accreditation through the Middle States Commission on Higher Education.
- (3) Strayer's flexible course scheduling (morning, evening, weekends, and online).
- (4) Its established online/distance learning program and distance learning support services, including online course backup for all on-site course offerings.
- (5) Strayer's willingness to provide instruction and administrative support services at call centers without any guarantee of minimum enrollments.
- (6) Its willingness to accept the Verizon Wireless tuition reimbursement process. (Note: Verizon Wireless' tuition reimbursement program is not limited to employees enrolled in Strayer University programs; employees are free to use the \$8,000 reimbursement at any college of their choosing. Students would not be eligible for State financial aid.)

- (7) Strayer's willingness to provide dedicated on-site administrative management to coordinate Verizon Wireless educational programs.
- (8) Reduced administrative burdens for Verizon Wireless to concentrate educational programs with a few national providers rather than numerous state-specific providers.

Strayer, with its multiple campuses and online capacity, also offers employees a level of "portability" should they decide to relocate to another Verizon Wireless facility or other job opportunity. Strayer University now offers courses in Business Administration to Verizon Wireless employees at 20 locations nationwide.

Academic Review

Resources and Organization:

Administrative responsibility for the program would be wholly assigned to Strayer's on-site Associate Program Dean. Verizon Wireless provides the facilities at the call center; it proposes to make eight dedicated training rooms available, along with study and computer work areas.

Strayer reports that students would have access to Strayer's online library resources and be able to access the circulating print materials at all 87 campus Learning Resource Centers through interlibrary loan. In addition, students would have access to the electronic book collection and direct borrowing privileges at the Salmon Library at the University of Alabama in Huntsville. Strayer states that it also has arranged borrowing privileges for Verizon Wireless Rochester students at the University of Rochester's River Campus libraries, through Rochester's "Friends of the Libraries" program.

Faculty:

Strayer will ensure that all faculty will be "qualified by education and experience/background demonstrably higher than the level to be taught." The institution states that it has a strong preference that all faculty hired for undergraduate programs possess a terminal degree. Department review of the credentials of faculty at locations in other states indicates that faculty at these locations generally have relevant advanced study and degrees.

According to Strayer, it has a faculty development program that includes workshops on education issues, teaching skills, and information technology. There is an eight-hour New Faculty Orientation program for all full- and part-time faculty, including four hours of face-to-face discussions. In addition, the University states that it provides tuition reimbursement assistance, as well as support for conference attendance and regional mentoring programs. Faculty who teach online go through a self-paced four-week training process. Faculty are trained in both synchronous and asynchronous delivery formats. During their first quarter of teaching, online faculty are assigned a mentor. There are provisions for assessments of teaching at a location at the course level, using mechanisms such as student surveys and periodic observations of instructors (including audits of online courses).

Curriculum:

The University states that it has designed its business administration courses to provide the latest information and technology in the field of management to prepare students for careers in the private and public sectors. Syllabi for the proposed courses detail instructional topics.

Strayer states that its central instructional design department works with faculty to develop master courses that are provided to and customized to the setting by individual faculty members. In addition, faculty members are encouraged to bring their own resources, expertise, and activities into their classes to supplement student learning.

Admissions:

Enrollment in courses would be limited to employees of Verizon Wireless' Calkins Road location. All students would be part-time. Strayer describes itself as an open access institution; a high school diploma or its equivalent is required for undergraduate enrollment. It evaluates student proficiency in fundamental math and English prior to first registration.

Publication of Policies:

An institution-wide faculty and staff handbook provides definitions of faculty status and information on evaluation procedures, academic freedom, grievances, and other matters. The general Strayer catalog provides information on admission standards, costs, degree requirements and states policies on refunds, grievances and other matters.

Student Advisement and Support Services:

Strayer states that academic advising may be conducted face-to-face, via mail, e-mail, telephone, and/or computer-mediated systems. At the Verizon Wireless setting, advising would most often be provided by the Associate Program Dean. Strayer states that tutoring services and remedial courses would be provided on an "as needed" basis.

Planning Review

In the Genesee Valley region, nine institutions offer baccalaureate programs in the subject field, Business Management and Administration: the State University Colleges and Brockport and Geneseo, Elmira College, Keuka College, Medaille College, Nazareth College, Roberts Wesleyan College, Rochester Institute of Technology, and Saint John Fisher College. Eight of them offer B.S. programs; Medaille offers a B.B.A. program.

Following the Department's protocol, and consistent with the planning process, on August 11, 2009, the Department sent the Chief Executive Officers of all degree-granting institutions in the Genesee Valley Region an abstract describing the proposed

offerings. At the time of the canvass, and reflective of the original proposal submitted to the Department, Strayer was proposing to offer three complete degree programs at the Verizon Wireless site: an Associate in Arts (A.A.) in Business Administration; the Bachelor of Business Administration (B.B.A.); and the Master of Business Administration (M.B.A.) degrees.

Eight institutions responded to this canvass: Bryant & Stratton College, Medaille College, Monroe Community College, Nazareth College, New York Chiropractic College, Rochester Institute of Technology, Roberts Wesleyan College, and St. John Fisher College. Seven of them opposed the proposal: Bryant & Stratton, Medaille (for its Rochester campus), Monroe Community College, Nazareth College, Rochester Institute of Technology (RIT), Roberts Wesleyan, and St. John Fisher. Four of them requested a public hearing on the proposal.

On June 14, 2010, the Regents held the requested hearing at the Chili Public Library. Vice Chancellor Cofield presided, assisted by then Deputy Commissioner Joseph Frey. At the hearing, each speaker had up to 10 minutes to present his/her point of view; speakers also provided written copies of their statements. Eight persons spoke at the hearing: the President of Strayer University, a member of the Strayer University Board of Trustees, two representatives from the leadership of Verizon Wireless Call Center in Rochester, the presidents of Medaille and Roberts Wesleyan, and two faculty or other administrators from Nazareth and RIT.

Strayer representatives noted the University's established relationship with Verizon Wireless and the company's status as a major Rochester employer. They indicated that the University provides business administration degree programs to almost 1,000 Verizon Wireless employees at 18 [now 20] call centers nationwide. They described Strayer's longstanding focus on adult learners and stated that local institutions raised no concerns about the quality of the proposed programs. They cited the tutoring, advising, technical support, and faculty development provided in its online programs, and introduced over 80 testimonials for the record from Verizon Wireless employees taking courses through the University, which praised the partnership. In addition, Strayer representatives stated that collaborations between employers and colleges like the Strayer-Verizon model are encouraged by the Regents Statewide Plan.

The representatives from area institutions maintained that similar programs are available through the region's existing institutions, including choices for both traditional and non-traditional students. They also noted the declining population of the Rochester area and raised concerns about the dilution of the applicant pool. Some questioned Strayer's ability to adequately support its proposed online offerings, which they believed may not be well supported by student services and faculty expertise. Others stated that their institutions are directly accountable to the Regents, whereas Strayer looks first to its shareholders. In addition, some maintained that Regents approval of the proposed programs would signal a *laissez-faire* approach to regulation that should be extended to all institutions.

Verizon Wireless representatives strongly supported the existing programs with Strayer, highlighting the alignment of business program processes with the nature of the work at Verizon Wireless and the company's business needs. Noting that the existence of in-house college programs help to recruit and retain employees, they shared positive student comments about Strayer programs offered to their employees in other states.

Conclusion

Based on a full review of materials provided by Strayer and comments from representatives of Verizon Wireless and institutions of higher education in the Rochester region, the Department proposes to authorize Strayer University to offer courses on a temporary basis to Verizon Wireless employees at the Verizon Wireless Call Center in Rochester. Accordingly the Department recommends the following action:

It is recommended that the Board of Regents grant permission to Strayer University to operate in New York and offer undergraduate courses in the field of business to employees of the Verizon Wireless Call Center at 133 Calkins Road in Rochester, for a term of one year commencing with the date of filing with the Commissioner of notice that instruction has commenced, upon the condition that enrollment in the courses not exceed 30 students per term, without the specific approval of the Commissioner.

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