

Testimony of Arthur Cheliotas, President of  
Communication Workers of America Local  
1180

To the New York City Council Committee on  
Immigration and Civil Service and Labor

February 16, 2012

My name is Arthur Chelotes, President of Communications Workers of America Local 1180, I represent 9,000 workers who live and work in New York City. I also serve as the Chairman of the Labor Advisory Board for the Joseph S. Murphy Institute for Worker Education and Labor Studies at the City University of New York. The Murphy Institute provides educational opportunities to union members and serves as an academic resource on issues of concern to the labor movement.

The Murphy Institute is part of the City University of New York a valuable public asset serving working adults who seek to improve their skills, develop their qualifications, advance their careers and expand their minds. Over twenty unions across New York City coordinate with Murphy to provide educational opportunities to their respective members.

Although our members live in New York City, they're genealogy extends far beyond these five boroughs. Many of our members are the children of immigrants. The history of this city is firmly tied to immigration. Waves upon waves of immigrants came to our city in search of a better life. Since the time of the progressive movement at the end of the 19<sup>th</sup> century our city created a public education system and free university that offered opportunities to the children of immigrants if not the immigrants themselves.

It was for the common good and common wealth that the children of illiterate immigrants learned to read and write in our public schools. Of those same immigrant students, the best and brightest were admitted to a public university system. Although they met the qualifications to attend an Ivy League College, they were not the favored race or religion to do so. Whether they were fleeing famine in Ireland, persecution in Europe, Jim Crow in the South or oppression in Asia, immigrants came to New York for a better life for themselves and for their families.

New York was where you could get a job in a factory or on the docks. Work in the kitchens and the laundries or mop floors so your children could have better life than you did. Immigrant parents sacrificed so their children could be educated not necessarily to become billionaire bankers or rich doctors but to at least get a good civil service job with a pension and good benefits. They just had to be smart enough to pass a test and score high enough to be appointed based on what they knew not what they looked like.

Labor unions created additional opportunities for public education for these citizens. When Local 1180 first began its relationship with CUNY we worked with other unions and Queens College to start the Labor Education and Advancement Program which later became the University-wide Murphy Institute. We were looking for a university to collaborate with to start a program

that would expose our members to educational opportunities so they could be able to advance in their careers and ensure a better life for their families. During our search we realized that the private and for-profit institutions were far too expensive. Unfortunately, that trend continues today.

Public institutions like the Murphy Institute allow people to receive an education at a far lower price than it would cost them if they attended a for-profit institution. Research performed by the United States Government Accountability Office finds that 14 out of 15 times, the tuition at a for-profit sample was more expensive than its public counterpart, and 11 out of 15 times, it was more expensive than the private counterpart. Examples of the disparity in full tuition per program include: \$14,000 for a certificate at the for-profit institution, when the same diploma cost \$500 at a public college; \$38,000 for an Associate's Degree at the for-profit institution, when the comparable program at the public college cost \$5,000; \$61,000 for a Bachelor's at the for-profit institution, compared to \$36,000 for the same degree at the public college. And the price gets higher and further apart as the level of the degree escalates.

Even with the high price tags at for-profit institutions, the amount they devote to education is still less than what not-for-profit institutions allocate. According to the Huffington Post, for-profit colleges devote less than a third of what public universities spend on educating their students, even though the for-profit institutions charge nearly twice as much as their public counterparts for tuition. Therefore, at a for-profit institution a student will pay more and receive a lower grade of education. This is because for-profit schools spend a significant portion of the tuition they receive on marketing in order to convince people that the degree from this institution is a valuable pursuit instead of improving the actual quality of the education they are providing. The cost of those advertising campaigns is financed by lower salaries for instructors and tricks and traps that add to student fees as well.

Students attending bachelor's degree programs at for-profit schools are also much less likely to graduate than students who attend public universities or private non-profit schools. One in five students graduate from for-profit bachelor's degree programs within six years, compared to more than half of the students at public universities.

A very important economic benefit for students of public schools is that their course credits are cross-applicable. Many for-profit institutions of higher education have national accreditation rather than regional accreditation. Regionally accredited schools are predominantly academically oriented, non-profit institutions. Nationally accredited schools are predominantly for-profit and offer vocational, career, or technical programs. According to EducationUSA, a global network of advising centers supported by the Bureau of Educational and

Cultural Affairs at the U.S. Department of State, many regionally accredited schools will not accept transfer credits earned at a nationally accredited school. So a student who attends a for-profit institution and then tries to transfer to a different university is likely to be denied credit for the courses they completed at their previous institution. So the time and money they spent there will be in vain.

Another area in which public schools outdo for-profit schools is the type of education they provide. Public institutions have to provide a broad based education to comply with federal and state regulations. The students are required to study a variety of different topics and are exposed to a wide range of information. This equips them with widespread knowledge and greater critical thinking and problem solving skills which will allow them to better compete in the workforce. Wide-range education has a greater applicability to real life circumstances that is often missing from the curriculum of private and for-profit institutions.

One way to gauge the efficacy of an educational program is to compare how many of its graduates received gainful employment upon completion of the program. This can be measured by examining the repayment of the student loans of the graduates.

The New York Times reported last year on student loan defaults at for-profit colleges and universities versus those at not-for-profit and public institutions. At for-profit institutions, 15 percent of borrowers defaulted within the first two years of repayment. At public institutions, the rate was 7.2 percent and at not-for-profit private institutions; it was 4.6 percent. And although for-profit colleges enroll only about 10 percent of the nation's undergraduates, their students make up 150,000, or almost half, of the defaults.

Critics have called for-profit education "subprime education", analogous to the subprime mortgages that caused the Great Recession. They prey on uninformed borrowers and burden them with debt they cannot afford, and then they securitize and pass the loan onto third party investors. This is un-American! In a civil society education is an essential service. Democratic government is the foundation upon which commerce, industry and a civil society is built. Public and non-profit educational institutions are a branch of our democracy. These institutions are regulated by the government to ensure that they provide an adequate level of education to their students. They have a vested interest in the welfare of their students. Unlike that of for-profit institutions that have a vested interest in the welfare of their shareholders.

Students who graduate from for-profit institutions are overburdened with debt, receive a substandard education, graduate with less frequency, and are unable to get jobs that will earn them a sufficient salary to repay their debt

when compared to graduates from non-profit institutions. It is clear that the benefits of these for-profit institutions are scant.

If an institution is for-profit, their main objective is elucidated in the name itself. They aren't interested in the education of their students; they're driven by profit to their return on investment. Privatization of higher education creates a profit center for Wall Street not an educated productive workforce. It monetizes education and seeks to profit from a person's desire for learning. The City University is an efficient and economical provider of quality higher education. Institutions like the public schools and the free City University helped prepare generations of productive citizens who emigrated here from all over the world. And a transparent civil service system offered those citizens relatively equal opportunity to attain good jobs, something the private sector could never seem to accomplish.

Public institutions of higher education are part of our common wealth; our common wealth is the human and physical infrastructure of our society and is supported by all of us through the government for the common good. Because they are for the common good, their purpose is not to profit a few but to serve the needs of our society, the needs of all the people.

The pathway to a better life is under attack because these institutions are being threatened as never before. Privatization of public services continues to grow. Some well connected contractors and investors will find ways to profit from the sale of the common wealth for pennies on the dollar. The losers will be the generations who will pass through our city in search of a better life but will not find it because it will have been sold to some bidder with a connection. We can't let that happen on our watch. New York City was a beacon of light and opportunity for people all over this world for generations. If we want New York to continue to shine into the future, our public services must be robust. Our public schools have to be strong. Otherwise our future is likely to be sold to the highest bidder.

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*



I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Ms Skion (Nadiya)

Address: \_\_\_\_\_

I represent: CWA 1180 (Arthur (Lolote)

Address: 6 Garrison Street

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