

House Bill 470

For Profit Institutions of Higher Education and Private Career Schools –
Instructional Spending Requirements

Lincoln College of Technology
Columbia, MD

Testimony in Opposition to HB470

Testimony of Cory Hughes
President of Lincoln College of Technology
to the
Maryland House of Delegates Appropriations Committee
February 18, 2020

Good afternoon, my name is Cory Hughes and I am the president of Lincoln College of Technology in Columbia. I have come before this committee to speak in opposition to House Bill 470 as there would be no possible way for our institution to operate if this legislation was enacted into law after 60 years of existence in Maryland.

First, let me say that Lincoln Tech has been a great partner to 1000's of businesses in Maryland by providing well-educated employees in the automotive, HVAC, electrical and culinary and baking fields since 1961 when we opened our first campus in Baltimore. We currently enroll 484 students and employ 82 faculty and staff. Our graduate placement rates have been consistently 80 percent or greater and over 90 percent of our student body comes from the State of Maryland and continue to reside in Maryland even after graduation. It should also be noted that Lincoln Tech has the largest number of graduates in automotive and HVAC programs in the entire state. Further, our HVAC program had almost 77 percent of all graduates in the state in 2018 according to the U.S. Department of Education's National Center for Education Statistics.

Unfortunately, as we stated two weeks ago before this committee on a different piece of legislation, this measure does not provide Maryland residents with any protections and most likely will cause precipitous closures. In fact, the Fiscal Notes on this bill concur with our thoughts by stating its impact could be significant.

Frankly, we are not sure how the 50 percent threshold was established. Nor have we been able to find any research that documents a correlation between the 50 percent instructional

expenditure benchmark and successful outcomes. Further, after doing research through the U.S. Department of Education's National Center for Educational Statistics, we found that over 80 percent of the colleges in the state would fail this benchmark. That includes institutions such as the Naval Academy, University of Maryland and Johns Hopkins. We have attached a formal list of those schools that fell below the 50 percent instructional expenditure. That being said, if Johns Hopkins fails this measure, then why is the legislature forcing Lincoln Tech to meet this threshold.

As we have always indicated, the measure of an institution should be with its outcomes. We believe that graduation, retention and graduate placement benchmarks should be included in any legislation to expose any underperforming schools that are not serving their student body.

We do not know what the appropriate percentage is for instruction spending. I know that Lincoln allocates a tremendous amount of resources on an annual basis in order to properly operate our school. As a school that offers programs in culinary, welding, automotive, HVAC and electrical, our consumable expenditures is tremendous amount of our budget. In our last IPEDS finance survey submitted to the U.S. Department of Education, we noted that our expenditures were over \$2.5 million. I also know that in 2019, we spent approximately \$1 million to initiate a new welding program even before ONE student enrolled and classes started.

This type of support should be expected of a school like Lincoln and we have several outside sources that validate our finances are used in an appropriate manner. First, we have our advisory boards for each program meet twice per year to go over every facet of the program from equipment purchasing to curriculum content. Second, we have our national or program accreditors evaluate our campus based on their stringent standards. Lastly, our faculty members have been practitioners in their field and bring this expertise into the classroom on a daily basis. When our faculty and staff meet, I personally am involved with discussions on new pieces of equipment or

additional consumables needed to support instruction. We feel as though those three separate and distinct assessments and evaluations, along with our outcomes in graduate placement, retention and graduation, are appropriate measures of our accountability.

Even the sanctions presented in the bill by themselves would force our campus to shutter its doors after 60 years. The charges we would be allowed to use for students if we failed to comply with this bill would never be enough revenue for the college to survive its current expenditures. Further, with 90 percent of our students coming from the state of Maryland, we would be providing refunds to all of our student body and thus forcing us to close our doors.

What we find to be frustrating is the inconsistent message we hear from legislators that visit our campus and the communication, in the form of legislation, coming out of Annapolis. When legislators come to our campus, they marvel at what our students accomplish and their outcomes. We hear comments that Lincoln is one of the good schools and legislation is not meant for Lincoln, but the bad actors. Yet there is no distinction between ITT and Brightwood, who conducted themselves immorally, and Lincoln, who has been in the state for 60 years serving Maryland residents. This bill and its contents put Lincoln in the same basket as Brightwood, ITT and Corinthian and further pushes it to close its doors without any true rationale.

Last spring, Lincoln Tech sponsored a Skills Gap Summit to discuss solutions to the gap between open positions and qualified applicants in fields such as automotive, HVAC, and electrical. In attendance were Delegates Hill, Terrasa, and Feldmark, as well as Senator Lam. These legislators heard the employers speak of their inability to find qualified employees in order to grow, and sustain, their businesses. In fact, each of these fields has a projected job growth of at least six percent annually in Maryland. This bill, if passed, would have an immediate negative

impact on these Maryland businesses if Lincoln were forced to close as we provided 282 graduates in automotive, electrical and HVAC solely in 2018 to businesses in Maryland.

Lastly, as stated earlier it seems as though this legislation is punishing current institutions for the misdeeds of Corinthian, ITT Tech and Brightwood College. Our college has been operating in the state for 60 years and would like to continue to operate another 60 years. We have not deviated from our original mission to train students in career fields since we opened in Baltimore in January 1961. That being said, we hope that you will oppose this legislation as written or amend the bill to include accountability measures as noted earlier.

Thank you again for allowing me to testify before this committee. I am available to take any questions.