



TO: The Honorable the Members of the Board of Regents

FROM: John L. D'Agati *John L. D'Agati*

SUBJECT: Nyack College: Master Plan Amendment for Relocation of the Main Campus in Nyack, NY to New York, NY

DATE: January 3, 2019

AUTHORIZATION(S): *Mary Ellen Eis*

SUMMARY

Issue for Decision (Consent Agenda)

Should the Board of Regents approve a master plan amendment for Nyack College to relocate the College's main campus in Nyack, NY to New York, NY?

Reason(s) for Consideration

Required by State statute and State regulation.

Proposed Handling

This question will come before the full board at its January 2019 meeting, where it will be voted on and action taken. A related petition to amend the College's charter will also be before the Board at its January 2019 meeting.

Procedural History

Nyack College has filed a master plan amendment to relocate its main campus currently located at 1 South Boulevard, South Nyack, NY to its current extension center at 2 Washington Street, New York, NY.

Background Information

Nyack College, which is affiliated with the Christian and Missionary Alliance, was founded in 1882, in New York City. In 1897, the College moved to Nyack, in Rockland County. In 1997, the Department approved Nyack College's application to establish an extension center in Manhattan. In 2013, the College rented new space in Manhattan at 2

Washington Street, New York, NY, where it relocated the extension center. In 2016, the College purchased that space.

In June 2017, the President of Nyack College sent the attached communication to the College's alumni and other constituencies, explaining Nyack's financial challenges (Attachment 1). In the last decade, Nyack College has struggled financially due to the age of its facilities in Nyack, maintenance of low tuition rates and a loss of student enrollment. (The College currently owns a 107-acre campus in South Nyack, a 37-acre campus in Upper Nyack and a 22-acre parcel in Orangetown.) The College has determined that the Nyack campus is no longer financially viable.

In June 2018, the U.S. Department of Education informed Nyack that its fiscal year 2017 Federal Financial Responsibility Composite Score was -0.2, out of a possible 3.0. A minimum score of 1.5 is necessary to meet federal financial standards. Based upon this score, the College was placed on Heightened Cash Monitoring 1 (HCM1), which dictates how the College is able to draw down its Title IV federal student financial aid funds.

The College has determined that establishing financial viability can only be realized by closing the campus in Nyack, selling that property, and consolidating its programs at the Manhattan location, beginning with the fall 2019 semester.

Nyack has posted information on its website about its proposal to consolidate operations in New York City, including a Frequently Asked Questions document, a video message from the President of the College and a Press Release. That information is posted at: <https://nyackinnyc.org/>.

Nyack Student Data:

Enrollment:

In fall 2017, Nyack College reported the following enrollment data:

Undergraduate Students:	1,139
Graduate Students:	776
2017 Total:	1,915

Of that number, approximately 800 students (400 undergraduate and 400 graduate students) are already taking many/most of the courses in their programs at the extension center at 2 Washington Street in Manhattan.

Over 55% of Nyack's undergraduate students are Pell-eligible and the College offers extensive academic and support services for under-prepared students. The College draws its students from many of the poorest community districts in three of the boroughs of New York City: Brooklyn, Queens and Bronx. The College will continue to maintain a very low tuition rate so that it can provide affordable and accessible higher education to those most in need of it.

Projected Enrollment:

In fall 2019, the College projects an enrollment of 1,600 students at the New York City campus. By fall 2023, the College projects an enrollment of 2,000.

Graduation Data:

In 2017-2018, Nyack graduated 533 students (287 undergraduate students and 246 graduate students). The six-year graduate rate has averaged 45% over the past five years; the eight-year graduate rate averages 50%. The College's HEOP program averages a 90% graduation rate.

Faculty at the New York City Campus:

When the consolidation is complete, the College will have an estimated 74 full-time faculty and academic support staff at the New York City campus. Over 90% of the instructional faculty will have doctoral degrees.

The 2 Washington Street Campus:

The 2 Washington Street Campus constitutes 8 floors of approximately 20,000 square feet each, for a total of approximately 160,000 square feet. There are 55 classrooms, labs and teaching studios that can accommodate a student body of 3,000.

Nyack's Plans for Residential Students

According to information provided by the College, in the fall 2018 semester, there were 449 residential undergraduate students at the Nyack campus. The College anticipates approximately 180-275 of those students will be returning in fall 2019 and is working on a student housing option in Jersey City, NJ, that will be sufficient for approximately 425 undergraduate students, which will allow for additional residential students, as well as the approximately 40 graduate and seminary students who will need housing. The College is also making housing plans for the seminary graduate program's married students. More information about the housing, food service and transportation plans that the College is making for the residential students has been provided by the College (Attachment 2).

The College has kept its accrediting agency, the Middle States Commission on Higher Education, informed about the consolidation plan. Subsequent to approval by the Board of Regents, the College would submit a substantive change request to the Commission concerning the accreditation of the New York City campus.

Following standard protocol, the Department conducted a canvass of institutions of higher education in the New York City region. In response to this canvass, the Department received two letters of support and no objections.

Also attached to this item is a recent *Inside Higher Ed* Op-Ed, written by the President of Nyack College, Michael Scales, concerning prison education programs. The Op-Ed references the program that Nyack runs at Fishkill Correctional Facility (Attachment 3). Nyack is committed to continuing and growing this program.

Related Regents Items

N/A

Recommendation

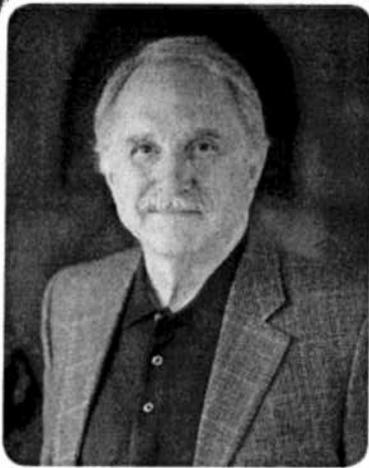
VOTED: That the Board of Regents approve a master plan amendment to authorize Nyack College to relocate its main campus in Nyack, NY, to 2 Washington Street in New York, NY.

Timetable for Implementation

If the Board of Regents approves the master plan amendment, the Department will update the registration of the College's programs to reflect the new location of the campus.

Attachment 1

A JUNE 2017 UPDATE FROM
PRESIDENT MICHAEL G. SCALES



DEAR FAMILY AND FRIENDS,

The Nyack College and Alliance Theological Seminary family is a worldwide praying family. So many love this great institution and its great cause. I share this from my heart to keep you informed as you pray.

Nyack is facing a formidable challenge.

Enrollment at American colleges and universities peaked in 2011 at 20.6 million students. Since that time, many institutions began to experience enrollment declines. Several have even closed. Nationwide, enrollments have decreased by 1.59 million students. That figure represented 270,000 fewer students enrolled than just in the previous year.

Enrollment at Nyack and ATS has not been immune to this decline. The institution has declined from approximately 3,400 students in 2011 to a current enrollment of approximately 2,500 students.

Certainly, this enrollment decline has created great hardship. The administration of the College and Seminary began making serious expense reductions in 2014. We have gone from almost 300 full-time employees to approximately 200. We have suspended the institution's contribution to retirement funds and required employees to support the medical plan. All of this, along with other reductions, was painful, yet necessary.

These reductions have not been enough. For each of the past two fiscal years, the institution experienced operational losses of approximately \$9 million.

The immediate challenge facing Nyack is our need to address its financial performance and the impact on its Financial Responsibility Composite Score with the Department of Education. While there is an unprecedented number of colleges failing to achieve the minimum ratio, Nyack must address its operational issues quickly if we are to secure the regulatory approvals needed for new programs and curriculum changes.

Key to Nyack's future institutional growth will be its ability to align its current program offerings with the needs of the market, and in doing so, implement new in-demand programs using a flexible and convenient delivery format.

In conjunction with our Board of Trustees, we must make changes to our business model to ensure it is reasonably sustainable. Everything is on the table for this current season and beyond. We have sought input from several groups over the past several years to provide assistance and advice during this process. All who have examined our position agree: Nyack does not have an expense problem; we have a *revenue* problem. Reductions alone will not address our problem. Both new streams of revenue and significant reductions, beyond those already enacted, will be required to meet this challenge.

Still, even in the face of this formidable challenge, ***I believe there is much hope***. Why? Three reasons:

The first reason I have hope is that ***we are not without resources*** as we face this challenge.

Our stated vision in 2009 was: 1) to purchase a permanent campus home in New York City, 2) to build relationships in Rockland County that would allow development of a master facility plan for the residential campus, 3) to develop Nyack to become a great Christ-centered university, 4) to formulate a reasonably sustainable business model and 5) to establish a culture of succession planning.

As we worked toward accomplishing that vision regarding the purchase of a permanent NYC home, a miracle occurred! We signed an agreement for the lease (with an option to purchase) of the campus at 2 Washington Street on April 1, 2013. The option to purchase was for \$49.2 million.

Part of the miracle occurred because God raised a new friend to the institution. This friend loaned us \$5 million in order to exercise the option to purchase. We were actually able to borrow \$55 million to purchase, furnish and move to our new campus.

On March 17, 2016, the day that we were able to fully purchase the new campus, the appraised value had risen to over \$100 million! It was, indeed, a miracle. So at the time that Nyack is facing its greatest operational challenges, the institution has never had greater assets. Indeed, the miracle of the exponentially growing value of the NYC campus allowed our sustainability during these horrendous losses.

While we must consider how these assets can play a part in meeting our current challenge, we are keenly aware of the stewardship responsibility we have for the miracle of this property that God has entrusted to us.

An outside consulting firm currently assisting us with some of this process recently made the following observation about us. "Nyack College is a school with a unique and long history; a strong reputation as a Christian and Missionary Alliance educational institution with traditionally robust programs at the undergraduate, graduate and seminary level; innovative



And while there is opportunity to re-engineer how we do what we do, this opportunity is laden with large and difficult decisions that must be made wisely. Please pray for our leadership team and Board of Trustees as we confront and make these decisions. The pace of change must accelerate and the addition of external resources to assist that effort should be considered.

Second, continue to send us students who share our values and mission. Nyack isn't for everybody. It is, however, the perfect choice for students serious about preparing to live the whole gospel throughout the whole world in the globally-connected, rapidly urbanizing and highly diverse twenty-first century. I am thankful that "millennials," who make up the largest pool of our potential students, are seeking more than just job training; they are looking to develop their God-given gifts and find life-giving callings.

When you meet prospective students committed and courageous enough to live the whole gospel in the kind of world I just described, please tell us about them! Along with our "on-ground" degree programs, we now offer 21 degrees online, and four of these programs are offered through Alliance Theological Seminary.

Finally, please consider a gift of support for Nyack College and ATS. The conclusion of the consultants we have engaged is as follows: "We are confident that Nyack can thrive in the market, if it executes on the key areas of opportunity identified." Obviously, I agree with their conclusions. And I'm convinced our current planning process will lead us to vitality.

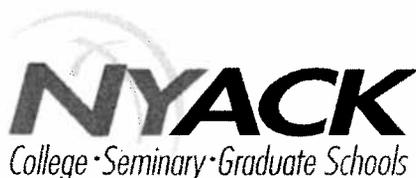
While there are enormous and potentially painful decisions ahead, with God's enabling, I believe Nyack will proceed to a new future and a new vitality. A rosebush may need to be trimmed; but with trimming it grows into something even more beautiful. I pray we will see this come full circle for Nyack soon.

Again, I know so many of you love Nyack and ATS as I do. I am thankful knowing I share this with a large and supportive family. Please pray for us, send students our way and consider making a gift. With over 40,000 alumni and friends leading the way, I believe **we will navigate these challenges to an even brighter future of service.** Our mission is too vital and too important to stop now.

Sincerely,



Michael G. Scales, Ed.D.
President



P.S. A gift made before June 30, at this strategic juncture helps grant us the time and flexibility we need to act upon areas of opportunity we see before us. It provides encouragement and tangible support at one of the most critical times in our history. For your convenience, you can visit our website where you will find a secure online giving tool at **www.nyack.edu/givenow**. Thank you in advance for your faithful partnership.

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Nyack College Plan for Transitioning Residential Students

The College has targeted Jersey City, NJ as the best location to develop a residential community for undergraduate students desiring to attend the New York City campus. This location provides both accessibility and affordability to students. The following are plans for housing, food and transportation.

Housing – The College has identified a property in Jersey City that is owned by a philanthropist to underserved young people. He has worked with the College in the past and has begun to support some of the College’s programs for creating student performance opportunities in the arts and theater.

The Jersey City property will house approximately 425 single undergraduate students. Current on-campus housing in Nyack for fall 2018 was 449 students. We anticipate having 180 to 275 residential students returning for fall 2019. The space will allow for new out-of-state students and future growth.

Spread over three 40,000 square foot floors, these proposed newly-constructed self-contained apartments will each house six students with two full bathrooms and a kitchenette in each unit. Along with housing the College’s fitness center and training room, there will be a study lounge with computers and a student lounge for entertainment. Nyack will also have its own private entrance and elevator access to the three floors it will occupy.

Three floors of residential units that mirror the new Nyack floors already exist in the building and approvals are in place for the Nyack floors. The proposed Nyack College floors are currently being prepped for pending construction. Architectural plans for the common space have been provided and, as soon as permission is granted by the Board of Regents, contracts will be executed so the work can commence in time for completion by September 1, 2019.

Food Service – Plans are being developed with the College’s current food service company to provide alternative options for food service. Depending on students’ budgets and schedules, they will have multiple choices for their meal plan.

There is a ShopRite and BJ’s Wholesale Club one block from the Jersey City location. Students will be able to shop and prepare meals in their apartment at their own direct expense based on the budget and diet.

The College will also have an on-site snack shop providing continental breakfast, sandwiches and salad options for lunch, and a hot entrée in the evening. This program will have a meal plan financial structure and cash options.

Current plans also include operating a food truck at the 2 Washington Street location in lower Manhattan for both the residential and commuter students who will have classes around the lunch and dinner times on Monday through Friday. Students will be able to utilize their meal plan credits or opt for a cash transaction model.

Students can also take advantage of the numerous eating options available in both Jersey City and Battery Park.

Transportation – The Jersey City residential housing is 2.5 blocks from the Grove Street PATH station. This beautiful like-new station is two stops from the World Trade Center PATH station and the ride is only seven minutes long. It is approximately 8-10 (short) blocks down to the New York City campus at 2 Washington Street. Estimated commute time is 20 minutes depending on the wait for the train to arrive at the station.

Annual (two semesters) cost for commuting and public transportation is estimated at \$750 for students. Unlike the current residential campus, students will not need automobiles to get to work or internships which should save them and their families significant resources.

Graduate and Seminary Students – Most of the graduate and seminary students are commuter students. There are currently 25 single seminary and 14 single graduate students living in campus apartment-style housing. It is likely that these students will also house in our first few years at the Jersey City location.

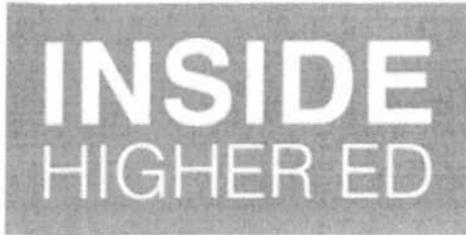
In addition, the seminary graduate program has four married couples and five married couples with children currently living on campus. Plans are underway to place these students (and future students) in strategic communities around NYC where they will serve in local church internships that are part of their program requirements. Eight communities and local churches have been identified and discussions are underway with these pastors to develop partnerships for housing students in these neighborhoods. We are excited about how this will develop over the next few years and anticipate growing this program.

Communication to Students and Parents – The College has developed a website with information about the transition with a section on frequently asked questions. If the Board of Regents approves the transition, this site will be updated to include detailed information for residential students.

The College is currently building a life-sized sample dorm room based on the architect's drawings in the College's athletic complex in Nyack, NY. This unit will allow students to walk through the sample dorm room and see different dorm furniture configurations.

A time-lapse video is being created to show students what the commute from Jersey City to the Battery Park campus and return trip will look like. Beginning in the spring semester, weekly tours will be scheduled to take groups of students on a tour of the Jersey City location and to walk through the new commute.

Several events at the Battery Park campus have already taken place this fall and two additional events are planned for all students in the spring semester.



(<https://www.insidehighered.com>)



Congress should support more prison education programs (opinion)

Submitted by Michael G. Scales on December 19, 2018 - 3:00am

Most college presidents don't go to prison, but going to prison is often the highlight of my year.

When I confer diplomas at the Nyack College commencement ceremony that takes place at Fishkill Correctional Facility, I know lives are being changed -- and not just those of the incarcerated students receiving their degrees. One of our graduates told me at commencement, "I'm not earning this degree just to make myself a better person. I want to put this diploma on the wall and tell my grandchildren, 'If I can do this, you can do it too!'"

The benefits of providing education programs in prisons are clear. A [report](#) [1] from the Correctional Association of New York found that, in addition to reduced recidivism, education gives inmates an incentive for good behavior and produces well-read, articulate leaders who have a calming influence on other inmates and even on prison employees. And those benefits continue after a person's release. A RAND Corporation [study](#) [2] found that "For every dollar spent on correctional education, five dollars are saved on three-year reincarceration costs."

Prison can be a dehumanizing experience, but in the classroom, Fishkill inmates become Nyack students, and they exemplify these positive outcomes. They bring a strong focus and work ethic to their classes because they know the value of what they are being offered. They find a place where their opinions are heard, their voices matter, their emotions are validated and their dreams come closer to reality.

The education that such students receive is transformative and sets them up for success. The recidivism rate in New York is [over 40 percent](#) [3], according to the New York Department of Corrections and Community Supervision; the recidivism rate of Nyack's graduates from Fishkill is 0 percent.

The U.S. Department of Education selected Nyack College and 68 other colleges to offer the Second Chance Pell Grant through a pilot program. Our institutions collectively serve nearly 102,000 prisoners in more than 100 state and federal prisons. As encouraging as those numbers are, many more institutions of higher education are interested in offering programs in prisons than are able to do so. The department selected our 69 institutions from over 200 that applied to be part of the pilot. Making Pell Grants available to incarcerated students would provide the financial assistance they need to pursue life-changing educational opportunities.

Financial resources can be major barriers for many institutions of higher education. Legislation like the [FIRST STEP Act](#) [4] (H.R. 5682), which the House may vote on this week, would augment prison programs like ours by further incentivizing incarcerated students for program completion, vocational training and rehabilitation. Restoring Pell Grant eligibility to incarcerated persons with additional

legislation, like the REAL Act ^[5] (H.R. 254), would also aid these efforts. The passing of these legislative options would have far-reaching benefits for individuals and communities too often overlooked.

At Nyack, our faith teaches that all people have God-given dignity, regardless of whatever mistakes they may have made, and that no one is too far gone to experience transformation through Christ. Every time I shake hands with the graduates at Fishkill, I don't see a man and his past; I see a man and the possibilities for his future. When I present more than 50 bachelor's and associate's degrees next February at our largest-yet commencement, I'll speak words of congratulations and encouragement. But the main lesson I hope graduates and attendees -- and legislators, too -- take away is one that undergirds both education and faith: it's never too late for a person to be what they might have been.

Michael G. Scales is president of Nyack College.

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Links:

[1] http://www.correctionalassociation.org/wp-content/uploads/2012/05/Higher_Education_Full_Report_2009.pdf

[2] https://www.rand.org/content/dam/rand/pubs/research_reports/RR500/RR564/RAND_RR564.pdf

[3] <http://www.doccs.ny.gov/FactSheets/PDF/currentfactsheet.pdf>

[4] <https://www.congress.gov/bill/115th-congress/senate-bill/2795>

[5] <https://www.congress.gov/bill/115th-congress/house-bill/254?q=%7B%22search%22%3A%5B%22REAL+Act%22%5D%7D&r=6>