



TO: The Honorable Members of the Board of Regents

FROM: William P. Murphy *William Murphy*

SUBJECT: Jamestown Business College: Transfer of Degree-Conferring Authority based upon a change of ownership or control

DATE: November 3, 2022

AUTHORIZATION(S): *Billy Moran*

SUMMARY

Issue for Decision (Consent)

Should the Board of Regents approve the transfer of degree-conferring authority based upon a change of ownership or control of Jamestown Business College?

Reason(s) for Consideration

Required by State Statute and State Regulation.

Proposed Handling

This issue will come before the Full Board for action at its November meeting.

Procedural History

Jamestown Business College is a proprietary college founded in 1886 and located in Jamestown, New York. The Board of Regents first authorized Jamestown Business College to award the Associate in Occupational Studies (A.O.S.) degree in 1971. In 1997 and 2007, the Board of Regents authorized the college to award the Associate in Applied Science (A.A.S.) and the Bachelor of Business Administration (B.B.A.) degrees, respectively. The College also offers several related certificate programs. The Middle States Commission on Higher Education has accredited the college since 2001. Additional information about the college is attached (Attachment A).

Background Information

Applicable Statute and Regents Rule:

The purchase of a proprietary college does not automatically include a transfer of degree-conferring powers. Education Law §224(1)(a) and Regents Rule 3.58(e) each requires the consent of the Board of Regents to a transfer of the degree-conferring authority of a proprietary college in New York State when a change in ownership or control of a college occurs. Regents Rule 3.58(a)(1) defines a change of ownership or control as, “merger, or consolidation with any corporation; sale, lease, exchange or other disposition of all or substantially all of the assets of the institution; and the transfer of a controlling interest (at least 51 percent) of the stock of a corporation.”

Because the transaction concerning Jamestown Business College (as outlined below) will constitute a change of ownership or control of a proprietary college, as defined in Regents Rule 3.58(a), the consent of the Board of Regents to this transaction is required.

The Proposed Transaction:

Jamestown Business College is a proprietary institution with its main campus in Jamestown, New York, and two additional locations in Dunkirk and Salamanca. Founded in 1886, the College was established as “a school designed to qualify young men and women for office requirements at low cost to those whose inclinations and ambitions lead them to business pursuits.” Fundamentally, the College’s mission remains the same today by offering degree and certificate programs that develop professional competencies for business careers. Historically, programs have met students’ needs and the demands of the local community. According to the College, the institution’s success is demonstrated by finding relevant employment for its graduates, by creating partnerships with local businesses, and by the opportunities afforded to students interested in pursuing a higher education.

Jamestown Business College is currently owned by Mr. David Conklin, who purchased the College in 2009. Mr. Conklin has been with the College since 1983, serving as an instructor and Dean before becoming the current President and sole owner. Mr. Conklin is nearing retirement and is seeking to transfer 100 percent ownership of the College to his daughters, Dr. Pamela Reese and Ms. Christina Conklin, MBA (purchasers), both of whom have a thorough understanding of the College’s operations. Dr. Reese started at the college as an adjunct faculty member, became a full-time faculty member, and eventually became Dean. Ms. Conklin started at the College as an admission representative and eventually became the Director of Admissions. The purchase price of the College is \$1.4 million at 2.45%, payable over a term of ten (10) years and the purchasers will utilize their earnings from college profits to pay for the purchase. As part of the agreement, the debt will be forgiven in the event of Mr. Conklin’s untimely death. Mr. Conklin can also forgive the debt at any time during the 10-year period of the promissory note and will be available for consultations as needed.

The Department reviewed the College’s audited financial statements and deemed the College to be financially healthy. The Middle State Commission on Higher Education also conducted a policy review. Their review, which included an analysis by

outside legal counsel, determined that this transaction is an excluded transaction under federal regulation 34 CFR 600.31(e)(1) and Commission policy in that ownership of the College will transfer from an owner to a “family member” of that owner as defined in §600.21(f). This transaction also has the support of the College’s Board of Trustees.

After the Transaction:

There is no expected impact on the daily life of campus community. Aside from minor changes to the operational organization, the College will remain unchanged in mission, philosophy, admissions requirements, faculty, curriculum, programming, and educational offerings. The College currently has eight (8) members on the Board of Trustees and will continue to have eight (8) members after the change of ownership.

The College’s buildings at the main campus in Jamestown are currently owned by David Conklin. The College will enter into a new lease agreement with Mr. Conklin to cover all classrooms and administrative offices. This agreement will be effective January 1, 2023, with terms that are favorable to the College. College offices that leased space with another landlord were also moved to a building owned by Mr. Conklin.

In addition to the main campus, the College will continue to operate at the Dunkirk and Salamanca locations. The College will renew a lease agreement with Robert Lesser Living Trust to cover all classroom and administrative offices at the Dunkirk location. The College operates at the Salamanca location through a partnership with the Seneca Nation. The Seneca Nation allows the College to use classroom and office space in their Seneca Arts and Learning Center building without charge. The Nation partners with the College to improve the education of the Nation community.

Related Regents Items

Not applicable.

Recommendation

It is recommended that the Board of Regents take the following action:

VOTED: That contingent upon the transfer of the ownership interest in the educational assets of Jamestown Business College, from David Conklin to Pamela Reese and Christina Conklin, the Board of Regents approves the transfer of New York State degree conferring authority for Jamestown Business College.

Timetable for Implementation

It is anticipated that the transfer of the ownership interest will take place by January 2023. The transfer of degree-conferring authority for Jamestown Business College will take effect immediately upon completion of such transfer and the amendment of the certificate of incorporation to that effect.

Jamestown Business College

- Founded in 1886, Jamestown Business College is a proprietary (for-profit) degree-granting institution. It is located in Jamestown, New York with two additional locations in Dunkirk and Salamanca.
- In 1971, the College was authorized by the Board of Regents to grant degrees. The Middle States Commission on Higher Education has accredited the College since 2001.
- The current president and owner of the College is David Conklin. Mr. Conklin has been with the College since 1983. During his tenure at the College, Mr. Conklin has served as an instructor, Dean, and Vice President/Academic Dean. In 2009, he became president and sole owner of the College.
- Mr. Conklin is seeking to transfer 100 percent ownership of the College to his daughters, Dr. Pamela Reese and Ms. Christina Conklin, MBA. Both have worked at the College in various capacities and have a thorough understanding of the College's operations. Each will have 50 percent ownership. Mr. Conklin will also be available for consultations as needed.
- The College has a Board of Trustees consisting of eight members.
- In Fall 2021, the College had four full-time and four part-time faculty.
- In Fall 2021, the College had approximately 287 students enrolled.
- The College offers courses in Day, Evening, Weekend, Standard, and Distance Education formats. It has seven registered academic programs in the following areas:

Programs	Degree/Award
Business Management; Computer Technology; Information Processing; Medical Office Assistant	Certificate
Administrative Assistant; Business Administration	Associate in Applied Science
Business Administration	Bachelor of Business Administration

- Graduation rate – 50% for students who began their studies in Fall 2015.
- Annual tuition and fees for 2021-22: \$12,945
- Cohort default rate in 2018 – 4.9%