

Prepared Remarks for
The Committee on Higher Education
of the New York State Board of Regents
New York, New York
By Kimberly F. Stephan
On behalf of Capella University
November 29, 2012

Thank you members of the Committee, as well as staff of the Committee and the New York State Education Department. My name is Kim Stephan, and it is my pleasure to introduce you to Capella University. Founded in 1992, Capella University is based in Minneapolis, Minnesota, is accredited by the Higher Learning Commission and is a member of the North Central Association of Colleges and Schools. We deliver education in a primarily online environment with a focus on adult learners, many of whom are employed in their field of study at the time of matriculation. Our learners reside in all 50 states and 59 foreign countries.

As of September 30, 2012, we had total enrollment of 35,000 learners, with approximately 1,400, or 4%, residing in the State of New York. 75% of our learners are enrolled in master's or doctoral programs; in New York, that number is even higher, with 84% of learners pursuing master's or doctoral degrees.

Many of our post-bachelor's learners, in particular, are seeking specialized outcomes, including professional licensure or certification, and we design our programs to support those goals. A significant number of our programs have specialized accreditations, including by:

CCNE, the Commission on Collegiate Nursing Education,
NCATE, the National Council for Accreditation of Teacher Education, and
CACREP, the Council for Accreditation of Counseling and Related Educational Programs.

For our programs that may lead to professional licensure, we provide specific tools and resources to learners and applicants, as well as to our enrollment counselors and academic advisors. Our licensure team has also established relationships with professional licensure boards in numerous states, including New York, in order to support the specialized outcomes sought by our learners.

The educational and other student services we provide are consistent with those provided by other high-level institutions, regardless of the means of delivery. 85% of our faculty members have doctoral degrees, and the remainder have appropriate terminal degrees for their discipline. The University has a rigorous orientation program to introduce our faculty members to the online environment, and an

emphasis on continuing education opportunities to support faculty development in addressing learner needs. Our learners are also supported, from enrollment to post-graduation, by our enrollment counselors, academic advisors, financial aid staff, librarians and career counselors.

Capella University strongly believes in the transparency and accountability of our programs. Our academic programs are built on a foundation of specific, measurable expectations of learning outcomes that deliver the skills necessary for our learners to succeed. In order to fully inform all interested parties, the University has established a web site, www.capellareresults.com, on which we report our outcome measurements, as well as the following program data:

- Expected Time to Complete a Program

- On-Time Completion Rates

- Program Costs, including Books and Fees

- Median Debt level of our Learners in achieving their educational goals.

As part of our commitment to transparency and accountability, Capella University welcomes oversight and collaboration with state regulatory agencies. The Minnesota Office of Higher Education (MOHE), our home state regulator, has exercised primary oversight of Capella University for two decades. We also have regulatory relationships with states across the country, and my staff is well-versed in complying with the regulatory requirements applicable to us. We have a long history of successfully collaborating with state regulators, including Deputy Commissioner D'Agati of the NYSED Office of Higher Education.

As the NYSED Board of Regents establishes the 2012-2020 Statewide Plan for Higher Education, we respectfully request the Board establish a balanced and reasonable framework for overseeing the activities of out-of-state institutions. Capella University is aligned with the NYSED in our desire to provide world-class education that best meets the needs and outcome goals of New York residents. If invited, we would gladly welcome the opportunity to participate in applicable rulemaking processes.

Thank you once again for the opportunity to introduce Capella University. I am happy to address any questions you may have.

Attachment(s)

- University Fact Sheet, published October 25, 2012

- The Capella University Community – New York residents, published December 31, 2011

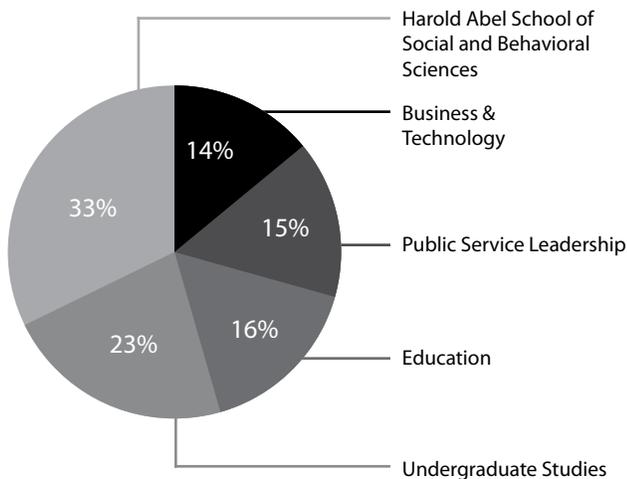
PUBLISHED OCTOBER 25, 2012

TOTAL ENROLLMENT¹

34,989 learners (Active enrollment as of September 30, 2012)

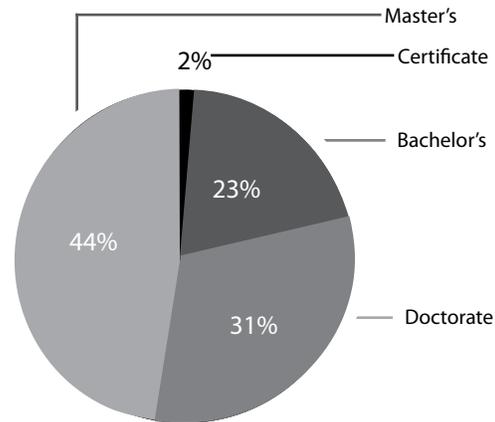
UNIVERSITY ENROLLMENT BY SCHOOL²

(as of December 31, 2011)



UNIVERSITY ENROLLMENT BY DEGREE AND CERTIFICATE³

(as of September 30, 2012)



Federal Integrated Postsecondary Education Data System (IPEDS) data on enrollment are available as well. Since IPEDS data are generated according to U.S. Department of Education rules and are used by Capella in standardized external reports, these data may differ from the numbers presented in this Fact Sheet. IPEDS data provide an accurate snapshot of enrollment as of the census date each fall, where census date is the 12th calendar day of the main session in a quarter – e.g., October 15, 2010, for the 2010-2011 academic year.

LEARNER PROFILE

(Updated annually - of December 31, 2011)

Capella learners come from all 50 states and 59 other countries or territories.

GENDER

- 74% female
- 26% male

AGE

- 40 (average)
- 19-89 (range)

ENROLLMENT STATUS⁴

- 6% full-time
- 94% part-time

% RECEIVING FINANCIAL AID⁷

- 86%

ETHNICITY⁵

- 54% learners of color
- 46% white, non-Hispanic

% URBAN/RURAL

- 78% urban
- 22% rural

% MILITARY⁶

- 14%

FACULTY PROFILE (as of September 30, 2012)

- 1,639 faculty members
- 1,390 (85%) of our faculty have doctorates
- Of the 1,639 faculty members (100%) who have reported their gender:
 - 901(55%) are female
 - 738 (45%) are male
- Capella faculty members live in 48 states and 4 foreign countries.⁸

Federal Integrated Postsecondary Education Data System (IPEDS) data on faculty are available as well. Since IPEDS data are generated according to U.S. Department of Education rules and are used by Capella in standardized external reports, these data may differ from the numbers presented in this Fact Sheet. IPEDS data provide an accurate snapshot of faculty as of November 1 of each year.

STAFF (as of September 30, 2012)

1,255 non-faculty staff (refers to staff in Academic Advising, Enrollment Services, Information Technology, University administration, etc.)

ACADEMIC OFFERINGS (as of October 25, 2012)

Number of degree programs: 43 ⁹
Number of joint degree programs: 1
Number of graduate and undergraduate specializations: 148
Number of certificate programs: 22
Number of courses: 1,690+

GRADUATION/COMPLETION AND RETENTION RATES

COMPLETION RATE: Capella's completion rate is the percentage of those learners who register for a second course and who finish their degree or certificate. Capella's overall completion rate is 49.3%.

RETENTION RATE: Capella's retention rate is the percentage of degree-seeking learners in a cohort who are active or who have graduated on the first anniversary of their second course as a cohort. For instance, if ten learners register for a second course at Capella in fall 2006 and six are active in Fall 2007, the retention rate would be 60%. Capella's overall retention rate is 57.2%.

DEGREES AND CERTIFICATES CONFERRED (as of September 30, 2012)

TOTAL (1993-2012): 34,977
NUMBER OF ALUMNI
(Degree and certificate recipients): 32,787 ¹⁰

ACCREDITATION

THE HIGHER LEARNING COMMISSION (HLC): Capella University is accredited by The Higher Learning Commission and is a member of the North Central Association of Colleges and Schools, www.ncahlc.org

ABET: Capella's BS in IT degree program is accredited by ABET, the recognized accreditor for college and university programs in applied science, computing, engineering, and technology, www.abet.org

COUNCIL FOR ACCREDITATION OF COUNSELING AND RELATED EDUCATIONAL PROGRAMS (CACREP): Capella offers three CACREP-accredited master's programs in counseling: Mental Health Counseling; Marriage and Family Counseling/Therapy; and School Counseling, www.cacrep.org

COMMISSION ON COLLEGIATE NURSING EDUCATION (CCNE): The BSN, MSN, and DNP degree programs at Capella University are accredited by the Commission on Collegiate Nursing Education (CCNE), www.aacn.nche.edu/ccne-accreditation

NATIONAL COUNCIL FOR ACCREDITATION OF TEACHER EDUCATION (NCATE): The Professional Education Unit at Capella University is accredited by the National Council for Accreditation of Teacher Education, www.ncate.org

PROJECT MANAGEMENT INSTITUTE GLOBAL ACCREDITATION CENTER FOR PROJECT MANAGEMENT (PMI-GAC): The Project Management Global Accreditation Center for Project Management has accredited Capella's BS-IT, BS-Business, MS-IT, and MBA Project Management specializations, as well as the Combined BS/MS in IT option, www.gacpm.org

END NOTES

¹Includes graduate, undergraduate, and certificate learners; does not include non-degree learners. FTE=12,695. Full-Time Equivalents (FTE) = Number of full-time learners + 1/3 of the number of part-time learners. Integrated Post Secondary Education Data System (IPEDS) definition of full-time and part-time status. By definition, FTE includes graduate, undergraduate, and certificate learners; it does not include non-degree learners. Derived from the External Enrollment Report as of September 30, 2012.

²Derived from the External Enrollment Report (EER) as of December 31, 2011. Due to rounding, percentages may not sum to exactly 100%. Harold Abel School of Social and Behavioral Sciences, comprises the programs formerly under the School of Human Services and the Harold Abel School of Psychology, as well as new academic offerings.

³Derived from the EER as of September 30, 2012. Due to rounding, percentages may not sum to exactly 100%. Certificates include post-baccalaureate and post-master's certificates. Doctorates also include EdS degree.

⁴Per the Integrated Post Secondary Education Data System (IPEDS), full-time status is defined as 9 or more credits per quarter for graduate students, and 12 or more credits per quarter for undergraduate students. Due to rounding, percentages may not sum to exactly 100%. Data as of December 31, 2011.

⁵Ethnicity data are provided for the 80.3% of learners who reported their ethnicity as of December 31, 2011. Learners of color include American Indian/Alaska Native (0.89%), Asian Non Hispanic (formerly Asian/Pacific Islander) (1.40%), Black Non-Hispanic (43.20%), Hispanic (5.62%), Pacific Islander (formerly Native Hawaiian/Other Pacific Islander (0.36%), Nonresident Aliens (0.69%), and those with two or more races (1.49%).

⁶Percent of active learners (as of December 31, 2011) receiving military discount in December of 2011. Learners in military, veterans, and some members of military family qualify for military discounts.

⁷Based on Financial Aid data as of December 31, 2011. Includes federal financial aid, non-federal financial aid, and alternative loans.

⁸As of September 30, 2012, faculty members living abroad resided in Australia, France, India and Oman. No faculty in Delaware and Vermont.

⁹Excludes joint degree programs.

¹⁰Number of Alumni is less than the grand total of all Degrees and Certificates Conferred because some learners have completed more than one degree at Capella. Report ran 10/19/12.

MILESTONES

2012

- The Doctor of Nursing Practice earned accreditation from the Commission of Collegiate Nursing Education (CCNE)
- Scott L. Kinney became president of Capella University

2011

- The Master of Science in Nursing and Bachelor of Science in Nursing earned accreditation from the Commission of Collegiate Nursing Education (CCNE)
- The Bachelor of Science in Information Technology program earned accreditation from the Accreditation Board for Engineering and Technology (ABET)
- The Master of Science in Education specialization in Early Childhood Education earned National Association for the Education of Young Children (NAEYC) National Recognition
- The Masters of Science (MS) in Education, Education Specialist (EdS) and Doctorate (PhD) in Education specialization in Leadership in Educational Administration earned Educational Leadership Constituent Council (ELCC) National Recognition (Building Level)
- Graduated 25,000th learner

2010

- Larry A. Isaak became president of Capella University
- Capella receives accreditation from the National Council for the Accreditation of Teacher Education (NCATE)
- Graduated 20,000th learner
- Capella University is awarded the 2010 CHEA Award for Outstanding Institutional Practice in Student Learning Outcomes by The Council for Higher Education Accreditation
- Capella University accepted invitation to join the President's Alliance of the New Leadership Alliance for Student Learning & Accountability
- Capella University is awarded the NUTN Distance Education Innovation Award by the National University Telecommunications Network

2009

- Dr. Christopher Cassirer became President of Capella University
- Launched Doctor of Education (EdD) degree
- Kevin Gilligan became Chief Executive Officer of Capella Education Company
- Capella University is granted full institutional approval by the Minnesota Board of Teaching
- Capella established the new School of Public Service Leadership
- Capella University received the 2009 Learning Impact Award from IMS Global Learning Consortium
- The Specialist Certificate in School Psychology was granted

approval with conditions from January 1, 2010, to December 31, 2011, by the National Association of School Psychologists (NASP)

- Capella University is a charter member of Transparency by Design, the initiative that developed and officially launched the College Choices for Adults website in August 2009
- The Master of Science in School Counseling is accredited by the American Counseling Association's Council for Accreditation of Counseling and Related Educational Programs (CACREP)
- Capella University received the 2009 Outstanding Work (WOW) Award from WCET
- The Doctorate in Education specialization Special Education Leadership earned Council for Exceptional Children (CEC) National Recognition.
- Enrollment exceeded 30,000 learners

2008

- Capella University's accreditation is reaffirmed by the Higher Learning Commission (HLC); Capella's next scheduled accreditation reaffirmation process will be during the 2014-2015 academic year
- The Society for Human Resource Management (SHRM™) acknowledged that three Capella HR specializations (in the BS, MS, and MBA programs) fully align with SHRM's HR Curriculum Guidebook and Templates
- The Master of Science specialization in School Counseling received approval from the Arizona Department of Education
- The Doctor of Philosophy in Education specialization in Special Education Leadership received approval from the Minnesota Board of School Administrators
- The Bachelor and Master of Science in Information Technology specializations in Project Management were accredited by the Project Management Institute (PMI®) Global Accreditation Center for Project Management (PMI-GAC)

2007

- The Master of Science specialization in Reading and Literacy received approval as a program leading to professional licensure by the Minnesota Board of Teaching. This is the first and only online Reading and Literacy program to be approved by this agency
- Capella University is designated by the National Security Agency and the Department of Homeland Security as a National Center of Academic Excellence in Information Assurance Education for the academic years 2007-2012
- Enrollment exceeded 20,000 learners
- Launched Education Specialist (EdS) degree
- Graduated 10,000th learner

2006

- The first comprehensive AQIP check-up visit since our original accreditation visit in 1997 was highly successful: the visiting team recommended that all accreditation stipulations be removed, and complimented Capella University for achieving what has taken other institutions years to accomplish
- The Higher Learning Commission removes the Statement of Affiliation Status stipulation and extends Capella University accreditation to develop and deliver new undergraduate programs and degree offerings
- Capella Education Company, the parent company of Capella University, completed its initial public offering of common stock and started to trade under the ticker symbol CPLA on the Nasdaq stock market

2005

- The marital, couple, and family counseling/therapy specialization in School of Human Services is accredited by American Counseling Association's Council for Accreditation of Counseling and Related Educational Programs (CACREP)
- Graduated 5,000th learner

2004

- Enrollment exceeded 10,000 learners

2003

- Approved by Minnesota Board of School Administrators to offer education leadership specializations in School of Education
- The mental health counseling specialization in School of Human Services is accredited by American Counseling Association's Council for Accreditation of Counseling and Related Educational Programs (CACREP)
- Approved by the Higher Learning Commission to launch four-year undergraduate programs in Business and in Information Technology
- Approved by the Higher Learning Commission to offer PsyD in School of Psychology
- Formed collaboration with Augsburg College to offer four-year baccalaureate degree starting in 2004

2002

- Graduated 1,000th learner

2001

- Dr. Michael Offerman became president of Capella University; Stephen Shank became chancellor
- Approved by the Higher Learning Commission to offer upper-division Bachelor's degree in Business

2000

- Became charter member of the Academic Quality Improvement Program (AQIP) of the North Central Association's Higher Learning Commission; accreditation extended to 2007-2008
- Approved by Minnesota Higher Education Services Office to grant BS degree
- Approved by the Higher Learning Commission to offer upper-division Bachelor's degree in Information Technology

1999

- Joined the US Department of Education's Distance Education Demonstration Program
- TGSA became Capella University; School of Psychology founded
- Stephen Shank became president of Capella University; Bruce Francis became chancellor
- Enrollment exceeded 1,000 learners
- Graduated 100th learner

1998

- Approved by the Higher Learning Commission for MS and PhD degrees in Psychology
- Approved by Minnesota Higher Education Services Office to grant MBA degree

1997

- Accredited by The Higher Learning Commission (HLC) of the North Central Association (NCA)*; at that time, TGSA offered MS and PhD degrees in Organization and Management, Education, Human Services, and Interdisciplinary Studies
- Graduated first learners (9 MS degrees, 5 PhD degrees)

1995

- Dr. Bruce Francis became president of TGSA

1993

- The Graduate School of America (TGSA) founded by Stephen Shank and Dr. Harold Abel
- Dr. Harold Abel became first president of TGSA
- Approved by Minnesota Higher Education Services Office to grant MS and PhD degrees in Organization and Management, Education, Human Services, and Interdisciplinary Studies

CAPELLA UNIVERSITY LEADERSHIP (as of October 25, 2012)

Scott Kinney	President
Amy Donovan	Chief Academic Officer
Barbara Butts Williams	Dean, School of Education
David Chapman	Dean, Harold Abel School of Social and Behavioral Sciences
Suzanne Holmes	Dean, School of Public Services Leadership
William Reed	Dean, School of Business and Technology
Feranda Williamson	Dean, School of Undergraduate Studies
Mary Miller	Senior Vice President & Chief Marketing Officer
Deborah Bushway	Vice President, Academic Innovation
Jen Klise	Vice President, Marketing
Suzanne Montella	Vice President, Markets & Products
Jeff Page	Vice President, Marketing
Tonia Teasley	Vice President, Markets & Products
Andrew Watt	Vice President, Undergraduate Programs
June Yoshinari Davis	Vice President, Markets & Products

CAPELLA UNIVERSITY BOARD OF DIRECTORS (as of October 25, 2012)

Marcia S. Ballinger, PhD, Board Chair
Clifford L. Butler, DBA
Russell J. Decker, MS
Robert C. Fox, JD
Willie B. Garrett, EdD
J. Kevin Gilligan, BA
Keith Hampson, PhD
Scott Kinney, MBA
Carmen Coballes Vega, PhD
Todd Sorensen, JD, Board Secretary

FINANCIAL INFORMATION

Financial viability information is available upon request. Please contact Mike Wickard, Corporate Controller, at 612-977-5141 to request such information.

QUESTIONS OR COMMENTS

Please contact [Institutional Quality Analytics](#) with questions or comments on this Fact Sheet.



The Capella University Community

Motivated to take their learning to a new level. Eager to take it out into their world and make a real difference. A by-the-numbers portrait of New York students and graduates.

New York residents currently enrolled at Capella University (as of 12/31/11)*

BY CAPELLA SCHOOL	
SCHOOL NAME	# OF STUDENTS
Business & Technology	182
Education	255
Public Service Leadership	269
Harold Abel School of Social and Behavioral Sciences	485
Undergraduate Studies	236

BY DEGREE	
DEGREE NAME	# OF STUDENTS
Bachelor of Science	230
Master of Business Administration	51
Master of Science	546
Doctor of Philosophy	458
Post-Master's Certificates	142
TOTAL	1,427

DEMOGRAPHIC CHARACTERISTICS OF STUDENTS ¹	
Female	76%
Male	24%
Full-time status	6%
Part-time status	94%
Students of color	55%
White	45%
Military-affiliated ²	8%
Urban	89%
Rural	11%
Average age	40
Age range	23-79

CAPPELLA FACULTY WHO RESIDE IN THE STATE	
Core, Adjunct, and Administrators	26

RESIDENTS WHO HAVE GRADUATED FROM CAPELLA UNIVERSITY					
DEGREE	2008	2009	2010	2011	GRAND TOTAL
Bachelor of Science	10	17	20	6	53
Certificate	7	9	5	2	23
Master of Business Administration	8	17	14	1	40
Master of Science	82	99	109	24	314
Doctor of Philosophy	33	37	30	15	115
TOTAL	140	179	178	48	545

¹Profile data as of 12/31/11. Source: EER December 2011. Full-time status is defined as 9 or more credits per quarter for graduate students, and 12 or more credits per quarter for undergraduate students. Due to rounding, percentages may not sum to exactly 100%. Ethnicity data are provided for the 77% of students who reported their ethnicity as of December 31, 2011. Students of color include American Indian/Alaska Native, Asian Non Hispanic (formerly Asian/Pacific Islander), Black Non-Hispanic, Hispanic, Native Hawaiian/Other Pacific Islander Non Hispanic, and those reporting two or more races. ²Percent of active students (as of December 31, 2011) receiving military discount in December 2011. Students in military, veterans, and some family members of military students qualify for military discounts. ³Graduation data for state residents who have graduated from Capella University as of 3/31/11. *Source: Q4 2011 Capella University Fact Sheet