



# Presentation for ABHES Annual Conference

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February 2013  
San Diego, California



# 2013 Higher Education Themes

- Productivity
- Quality Redefined
- Workforce Preparation
- Cost



# 1. Productivity

- Postsecondary attainment critical to economic development
  - 60% of jobs require a post-secondary experience (up from 40%)
  - Earnings increase from \$9 per hour to \$20 per hour
- President's 2020 goals
- Lumina Foundation 2025 goals
- National Governors' Association productivity goals
- Must contend with scarce resources



## But ... Declining Enrollment

- Half of the colleges/universities responding to Moody's survey expect declines in full-time enrollments and 1/3 expect tuition revenue to decline or grow less than the rate of inflation.
- Public and non-profit colleges and universities exploring changes to their business models to accommodate lower enrollment.



# Declining Enrollment – Career Sector

- Sector wide 2.9% decline overall
- Apollo 475,000 (2010) – 328,000 (2012)
- Kaplan 15% decrease (closed 9 campuses)
- CEC 21% decrease
- ITT 16% decrease
  
- APUS exception (large military student population)



# Reasons given:

- Great financial pressure on institutions
- Regulatory pressures
- Cumulative effects of years of depressed family income and net worth
- Uncertain job prospects
- Heightened awareness around student loan debt
- \$1 trillion/ 1 in 6 borrowers in default



## 2. Quality Redefined

- Outcomes (learning, completion, placement)
  - Competency not seat time
- Qualifications Frameworks (Bologna/Lumina)
  - Civic Learning
- Common Core standards (K-12)
- Earnings (USDE, Georgetown Center on Education & Workforce)
- USDE: Gainful Employment
- Veterans
  - Collaboration between VA and National Student Clearinghouse to provide information about outcomes of 1 million GI Bill beneficiaries
  - Executive Order “Principles of Excellence”
  - Implementing Legislation signed Jan, 2013



# Quality Redefined

- Transparency
  - Process
  - Outcomes
- How much and what information is useful to students?  
consumers? The public?





# Accreditation

- December meeting critiques of recognition process
  - Granularity of interpretation and sub-regulation
  - Stifles innovation
  - Punitive process
  - Does not contribute to improving higher education
  - USDE expectations of accreditation as a regulatory arm
  - UVA on warning (ACTA complaint filed)

“Sever the link” discussions occurring on the periphery



# 3. Workforce Preparation

Shift in thinking: all post-secondary education prepares students for participation in the economy.

- Skills gap
  - Deeper learning in all tracks (vocational and liberal arts require literacy, critical thinking, collaboration, self-reflection)
  - Linked learning (making it relevant)
    - K-12 not a finite experience/learning is lifelong
    - Fullbridge add on to post-secondary experience
  - Technology skills (all fields including manufacturing)



# Competing Proposals for Reform

## NACIQI

- Study TRIAD responsibilities
- Encourage state engagement in consumer protection
- Accreditation
  - Differentiation
  - Sector relevance
  - Transparency
  - Transparency
- Data

## American Council on Education

- Increase the transparency of accreditation and clearly communicate its results.
- Increase the centrality of evidence about student success and educational quality.
- Take prompt, strong and public action against substandard institutions.
- Adopt a more "risk-sensitive" approach to regional accreditation.
- Seek common terminology, promote cooperation and expand participation.
- Enhance the cost-effectiveness of accreditation.



## 4. Cost

- Cost of degrees/programs continues to increase
- Defaults on federal loans >\$1 trillion



# Cost Savings Measures

## Program Cost

- Credit for experiential learning
- Stackable credits
- Non-traditional providers
  - MOOCS (credit?)
  - Straighterline

## Default Rates

Income contingent repayment  
Outcomes Assessment



# Policy Developments

- Post Election Congress
  - Taxes
  - Debt
  - Harkin remains Chair of HELP Committee
  - HEA and ESA Reauthorization?
  
- Department of Education
  - Islands of Innovation
  - New regulations? 2013 Negotiated Rulemaking
  - Accreditation- NACIQI Recommendations
  - Revisit Program Integrity Regulations
    - Gainful Employment
    - State Authorization (New Dear Colleague Letter)



# Foundations

- Lumina 2013 Strategic Plan:
  - Strategies to help redesign the nation's higher education system and mobilize employers, policymakers, institutions, state and metro leaders and others to better position America for success in the knowledge economy.
  - Lumina/Gallup Survey: 87% of Americans say they believe students should be able to receive college credit for knowledge and skills acquired outside the classroom. 41% of Americans who do not have a college degree or certificate say they have thought about going back to earn a degree or certificate.
- Gates RADD Project
  - 16 Grantees to draft white papers reimagining federal student aid programs to help more students be successful in college.



# Answers?

- RADD Project
  - Income contingent repayment (default position) – Petri (R-WI)
  - State/Federal match to replace Pell Grants
  - Wabash Study suggests new business models for traditional colleges and universities.
  
- <http://www.youtube.com/watch?v=kO8x8eoU3L4>