

Toward a Fraught Future?

Other States' Responses to Converging Challenges in Higher Education

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About NCHEMS

- Private, non-profit 501(c)(3) in Boulder, Colorado, founded in 1969
- Mission: to improve strategic decision-making in postsecondary education for states, systems, institutions, and workforce development organizations
- Selected current and recent statewide projects
 - Governance New Hampshire, Utah, Vermont
 - Strategic planning Oregon, Utah, Vermont, Wyoming
 - Finance Missouri, Texas, Virginia
 - Quality assurance Connecticut, Maryland
- Primarily (but not exclusively) focused on public higher education

Agenda

- Relevant data
 - Value
 - Enrollment and demographics
 - Finances
- Innovative state activity
- Principles and lessons

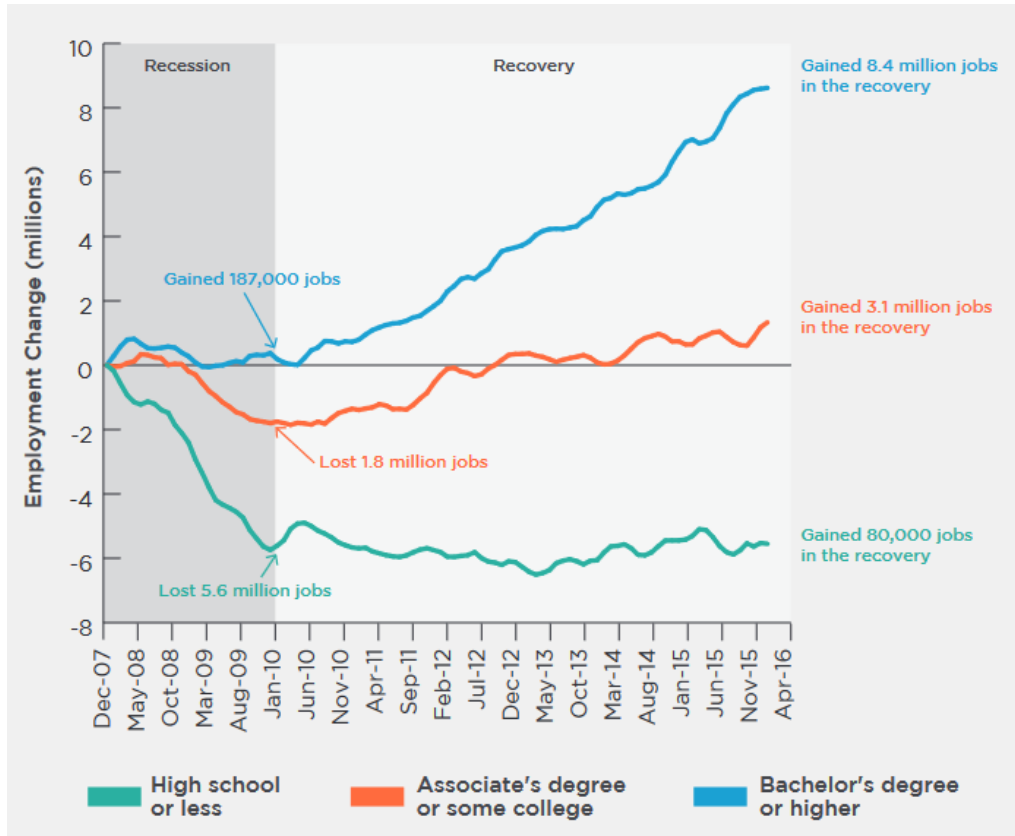
Value Proposition

Questions About Higher Education's Value

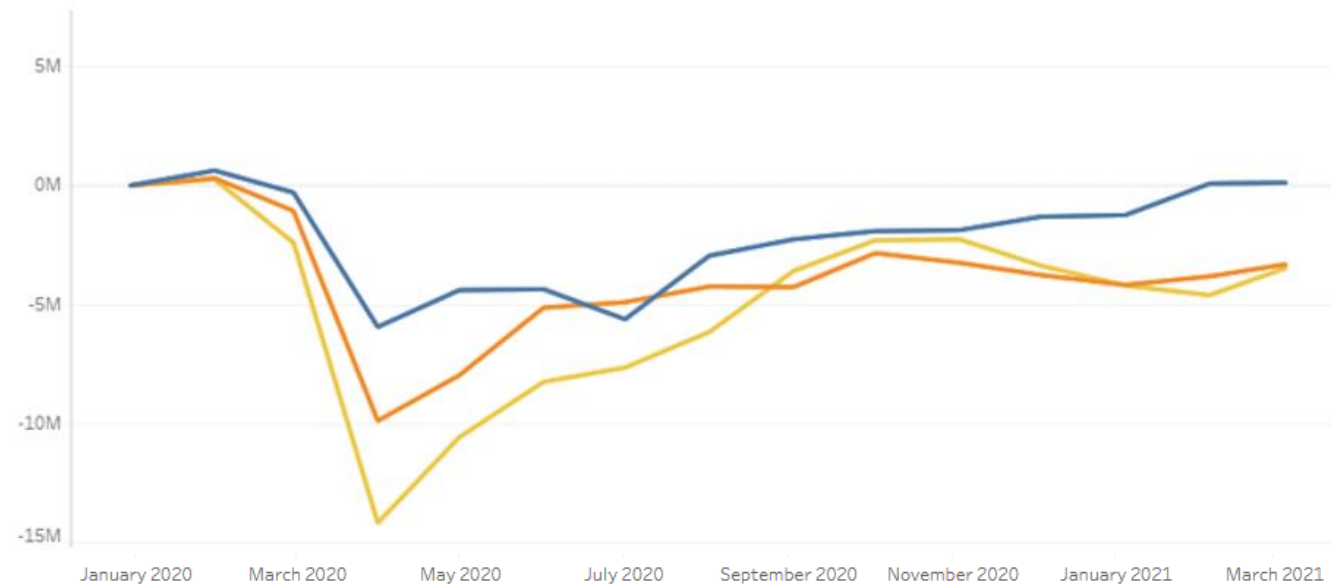
- Survey results showing less confidence in ROI – 56% of respondents in an April 2023 WSJ/NORC poll felt like a bachelor's degree was no longer worth it.
- States moving away from requiring BAs for employment
 - Alaska, Maryland, New Jersey, Pennsylvania, Utah, Virginia
 - Bipartisan, match to skills expands pool, but also a strong signal
- Institutions as sites for political contest

Education Provides Economic Security and Resiliency

The Great Recession



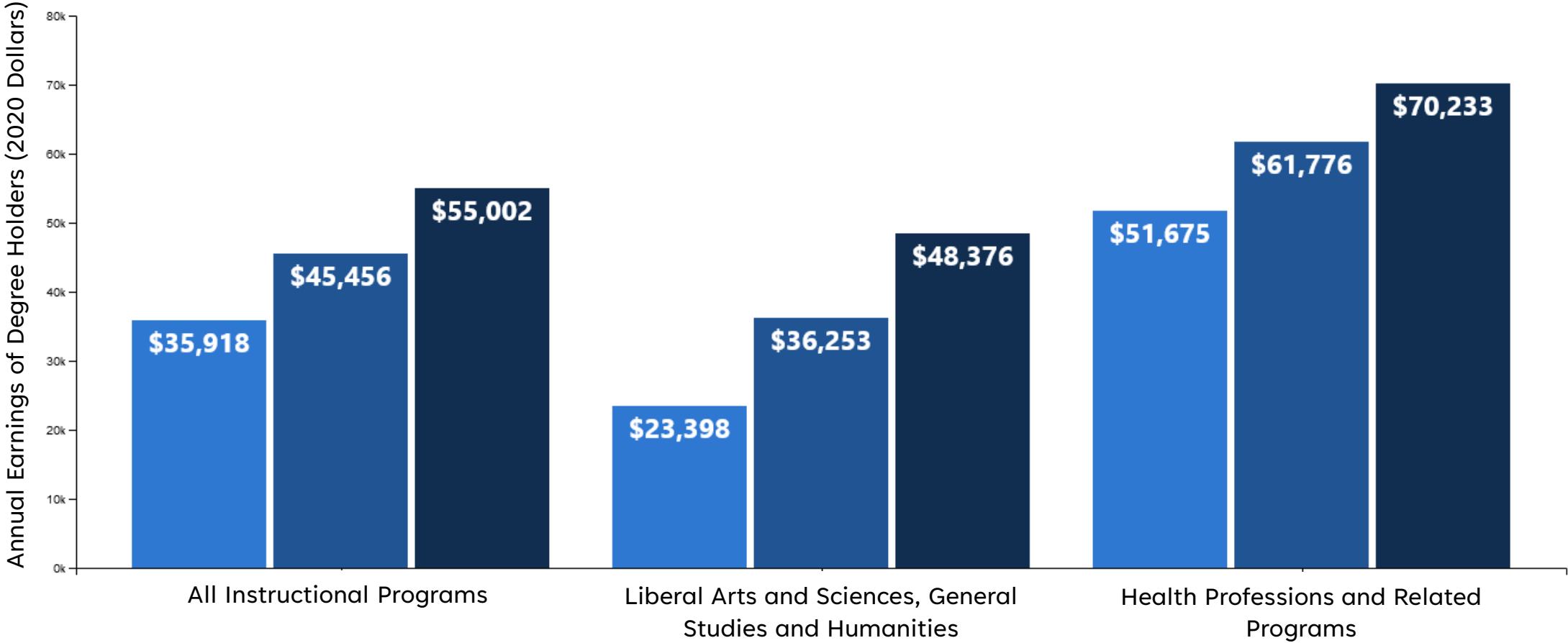
COVID-19



Source: Georgetown University Center on Education and the Workforce. *Tracking COVID-19 Unemployment and Job Loss*. Retrieved March 31, 2023 from <https://cew.georgetown.edu/cew-reports/jobtracker/#jobs-tracking>

Source: Georgetown University Center on Education and the Workforce analysis of Current Population Survey (CPS) data, 2007-2016, as cited in Carnevale, A.P., Jayasundera, T., & Gulish, A. (2016), *America's Divided Economy: College Haves and Have-Nots*.

Employment Outcomes – Virginia Peninsula Community College

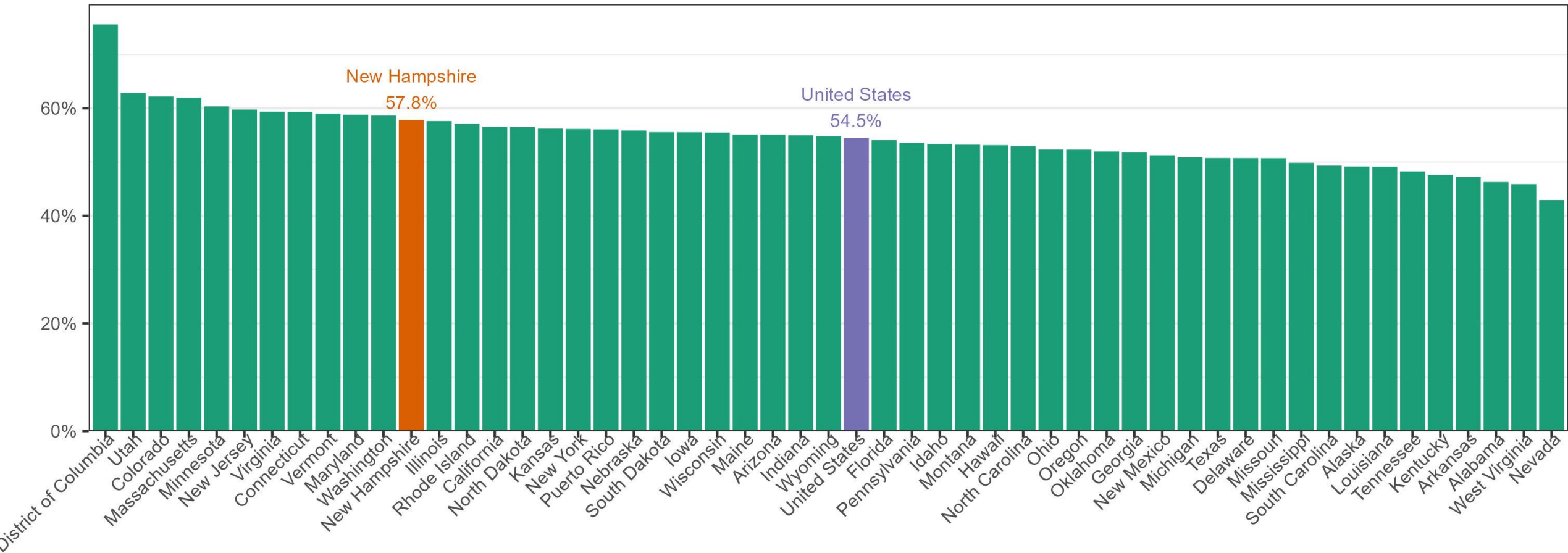


Source: Census PSEO (https://lehd.ces.census.gov/data/pseo_experimental.html)

1 Years Postgrad
5 Years Postgrad
10 Years Postgrad

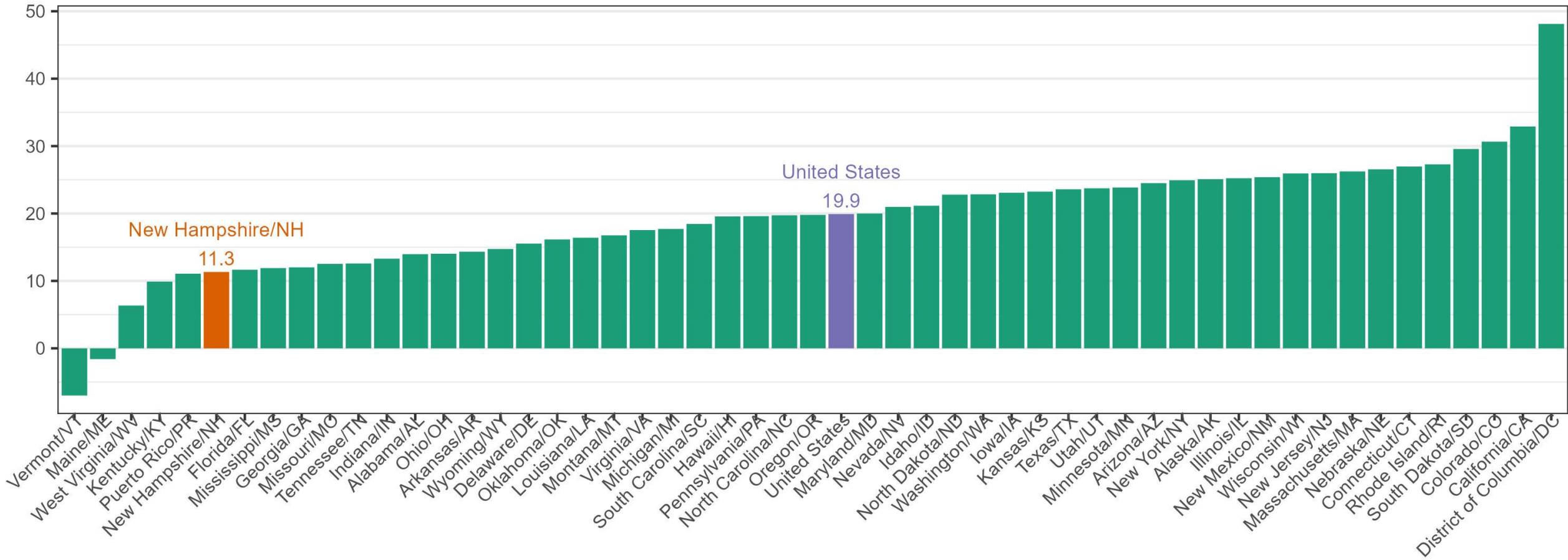


Educational Attainment of Population Aged 25-64 by State (Short-Term Certificates & Higher), 2022



Sources: U.S. Census Bureau, 2022 American Community Survey One-Year Estimates; Table B15001; Georgetown Center for Education and the Workforce. Data on certificates and certifications is from 2021.

Difference in College Attainment Rates (Associate's Degree or Higher) Between Whites and Underrepresented Minorities, Ages 25-64, 2022

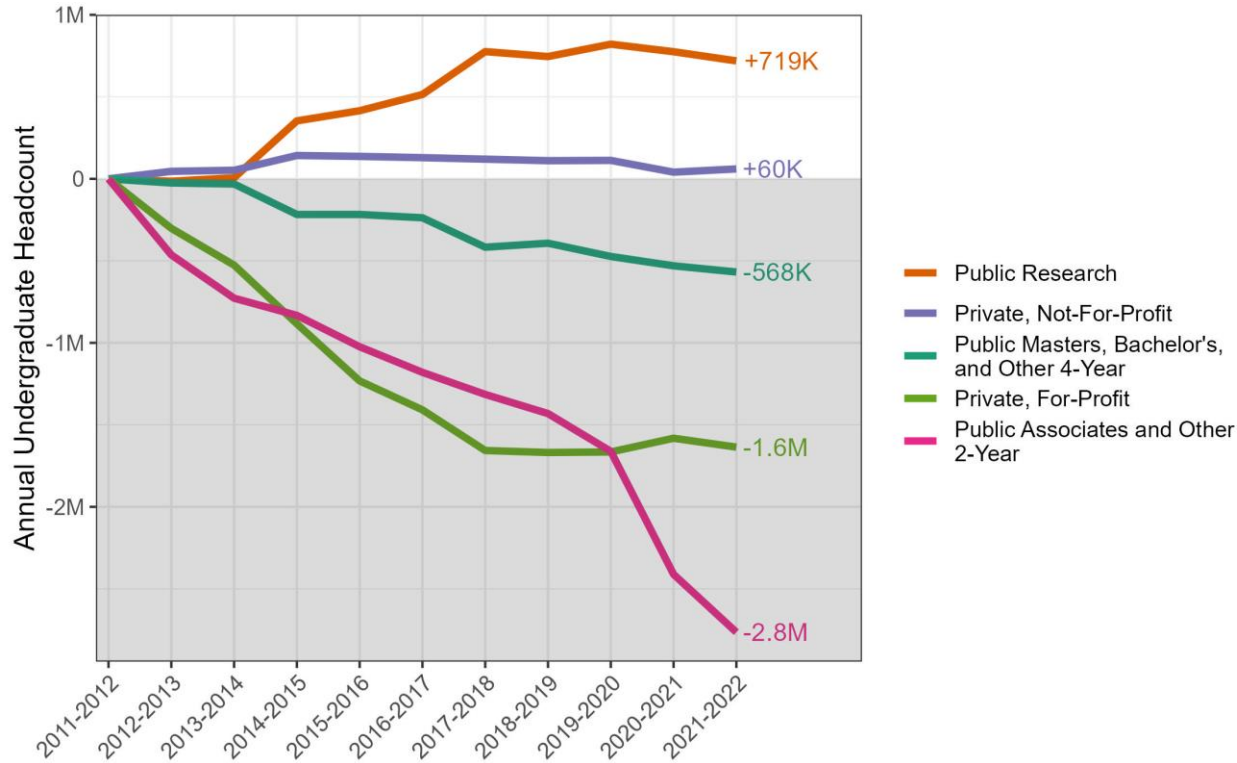


U.S. Census Bureau; American Community Survey (ACS), One-Year Public Use Microdata Samples (PUMS), 2021 and 2022. Note: Under-represented minorities include those who are Black, Hispanic, Native American or Alaska Native.

Enrollment & Demographics

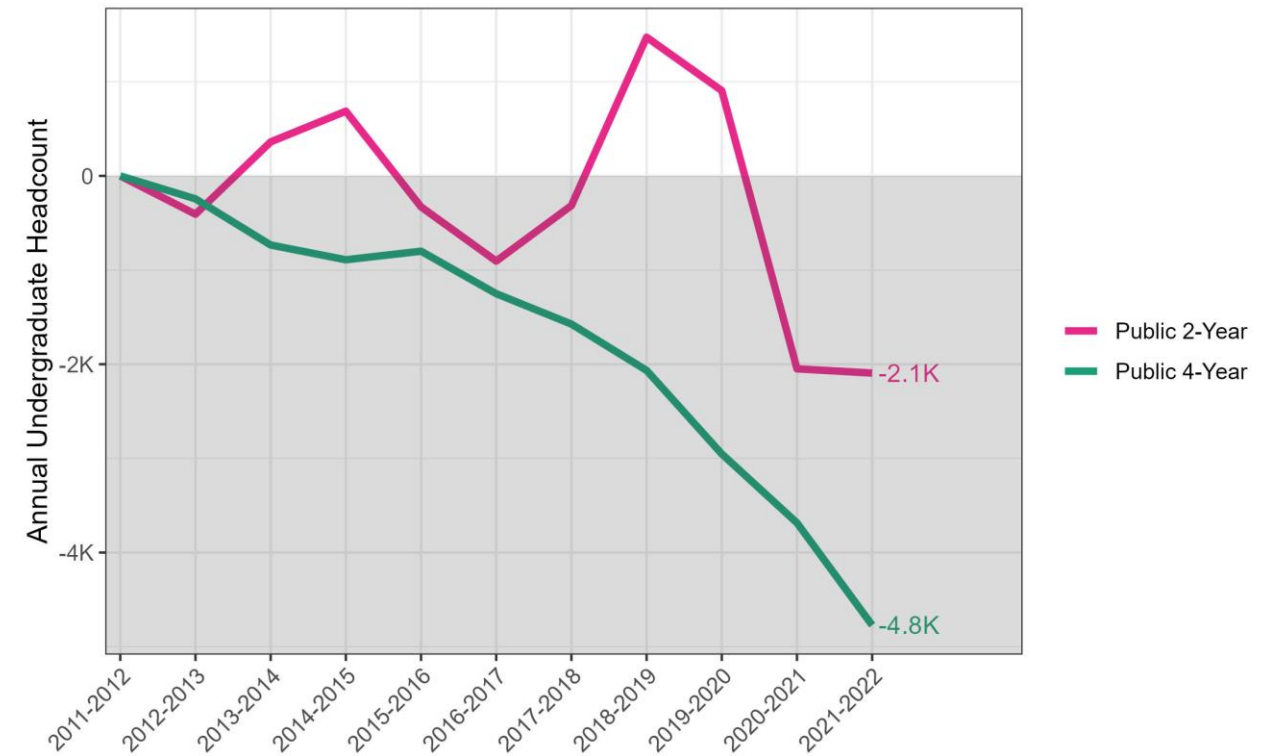
Change in Undergraduate Headcount Enrollment by Sector, 2012-2022

United States



Source: NCES IPEDS 12-Month Enrollment Survey, effyYYYY files 2012-2021 final release; 2022 provisional release.

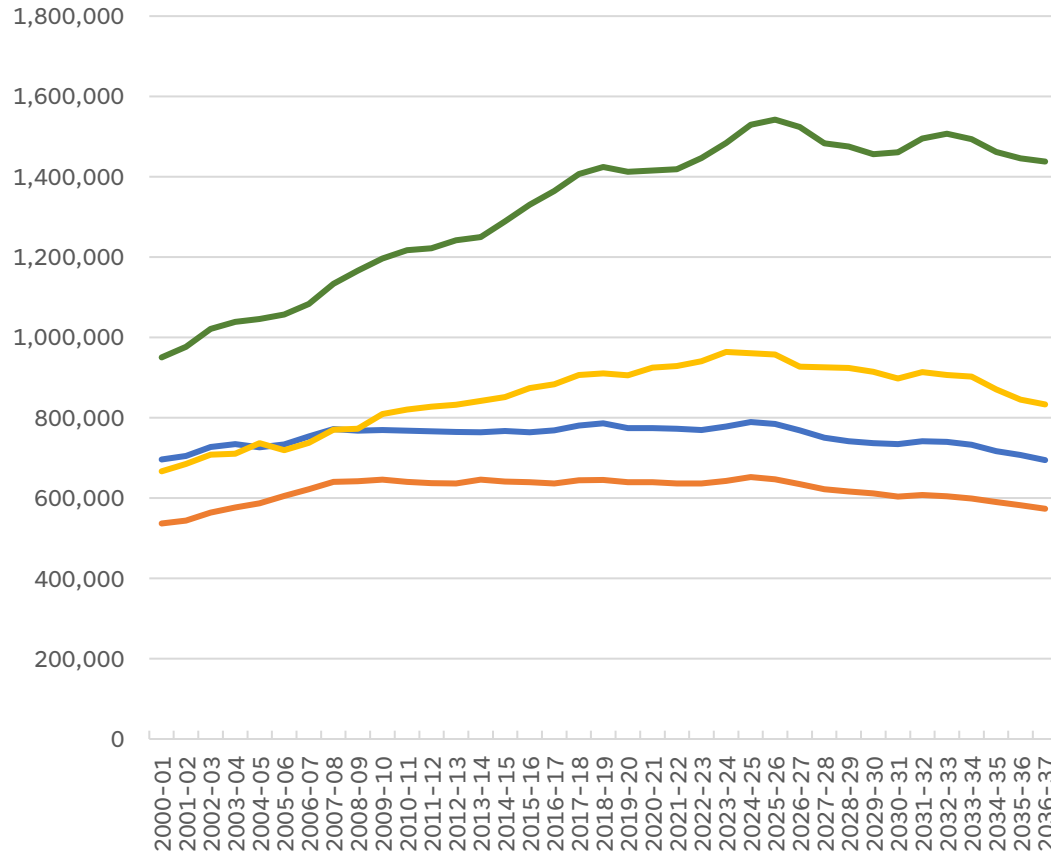
New Hampshire



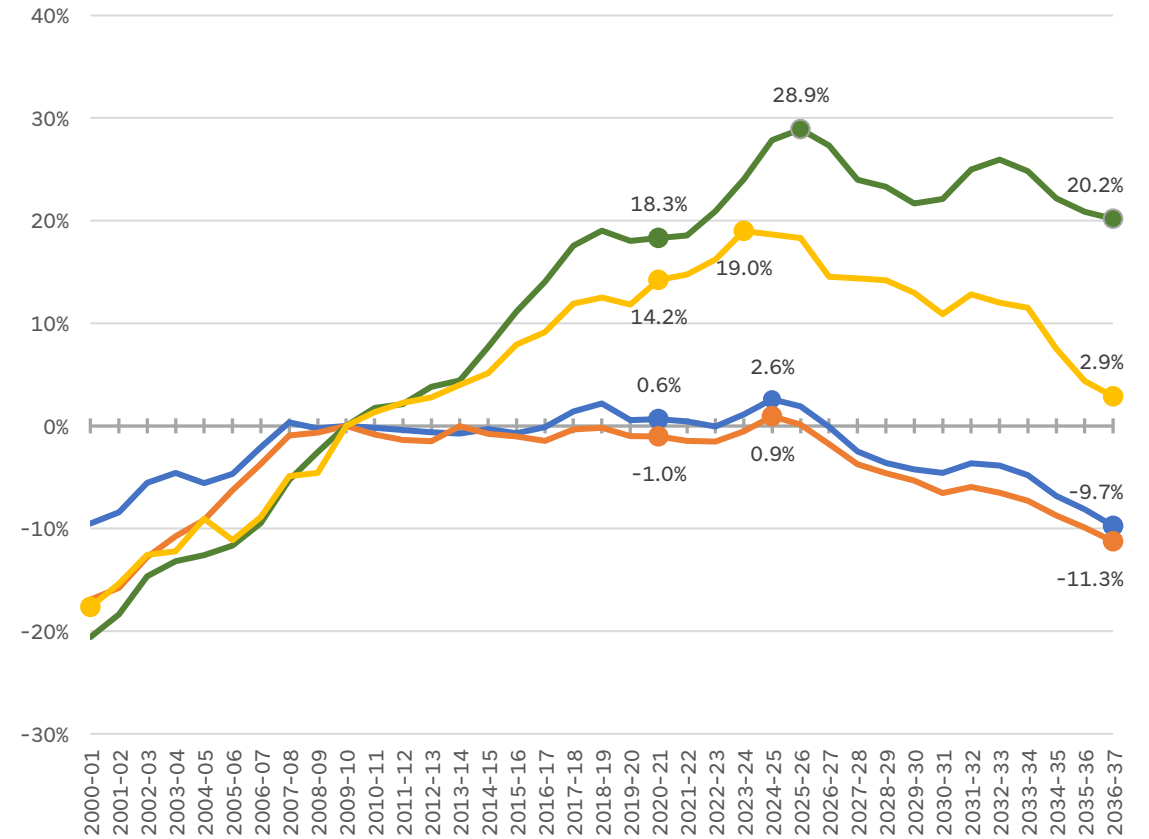
Source: NCES IPEDS 12-Month Enrollment Survey, effyYYYY files 2012-2021 final release; 2022 provisional release.

High School Graduates by Region (Actuals through 2020)

Actual and Projected High School Graduates



Cumulative Percent Change (Relative to 2010)

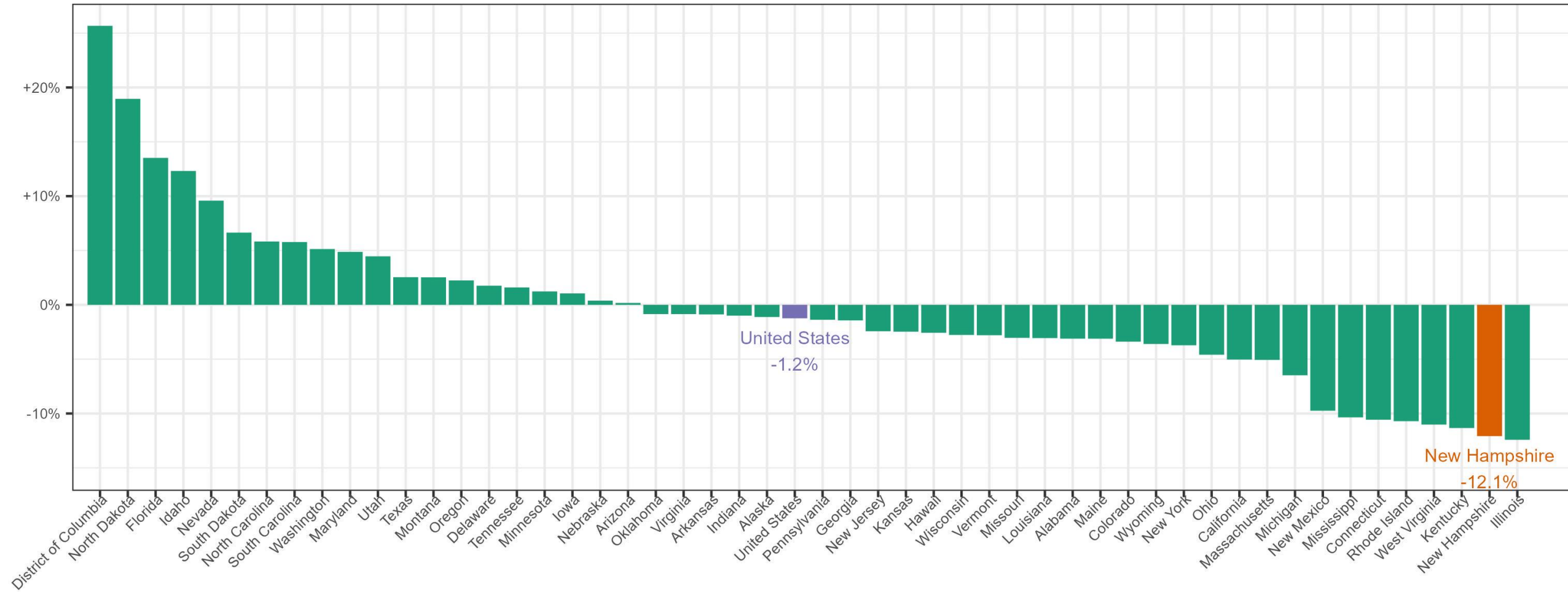


— Midwest — Northeast — South — West

Source: WICHE

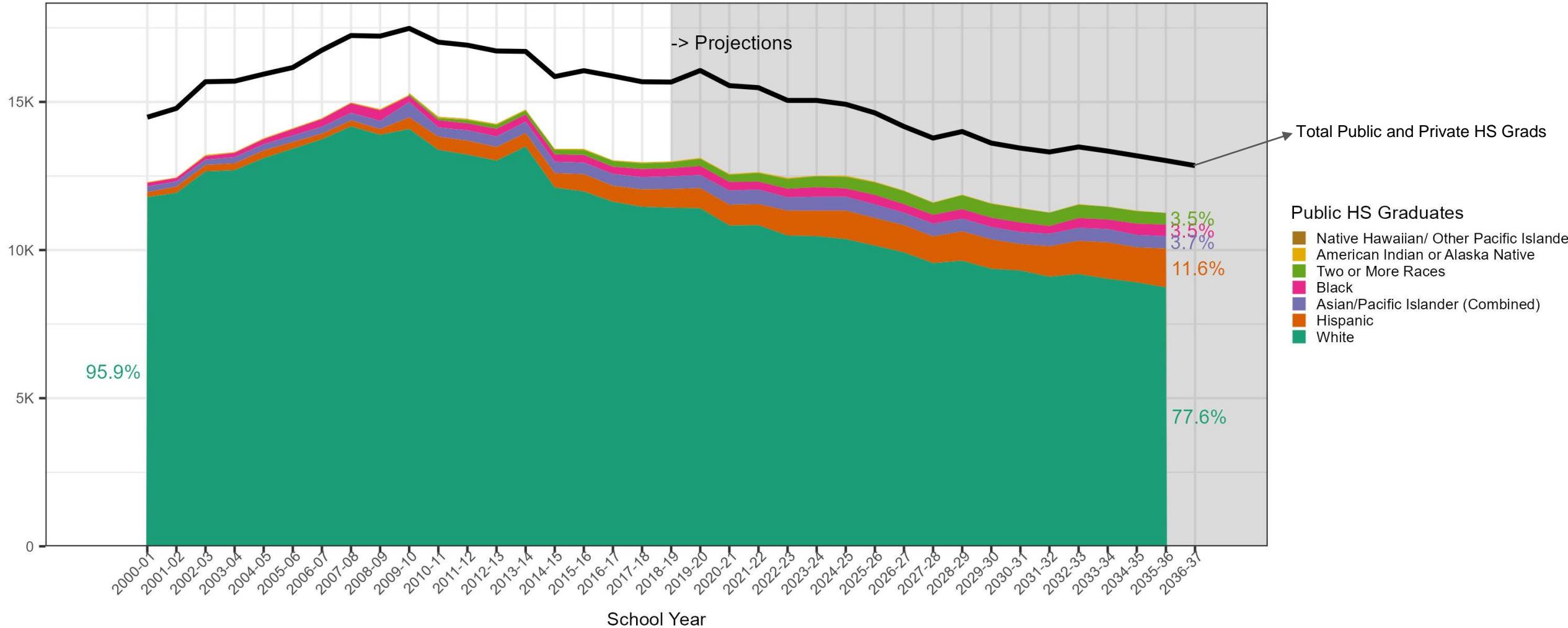


Projected Percent Change in High School Graduates, 2022-2030



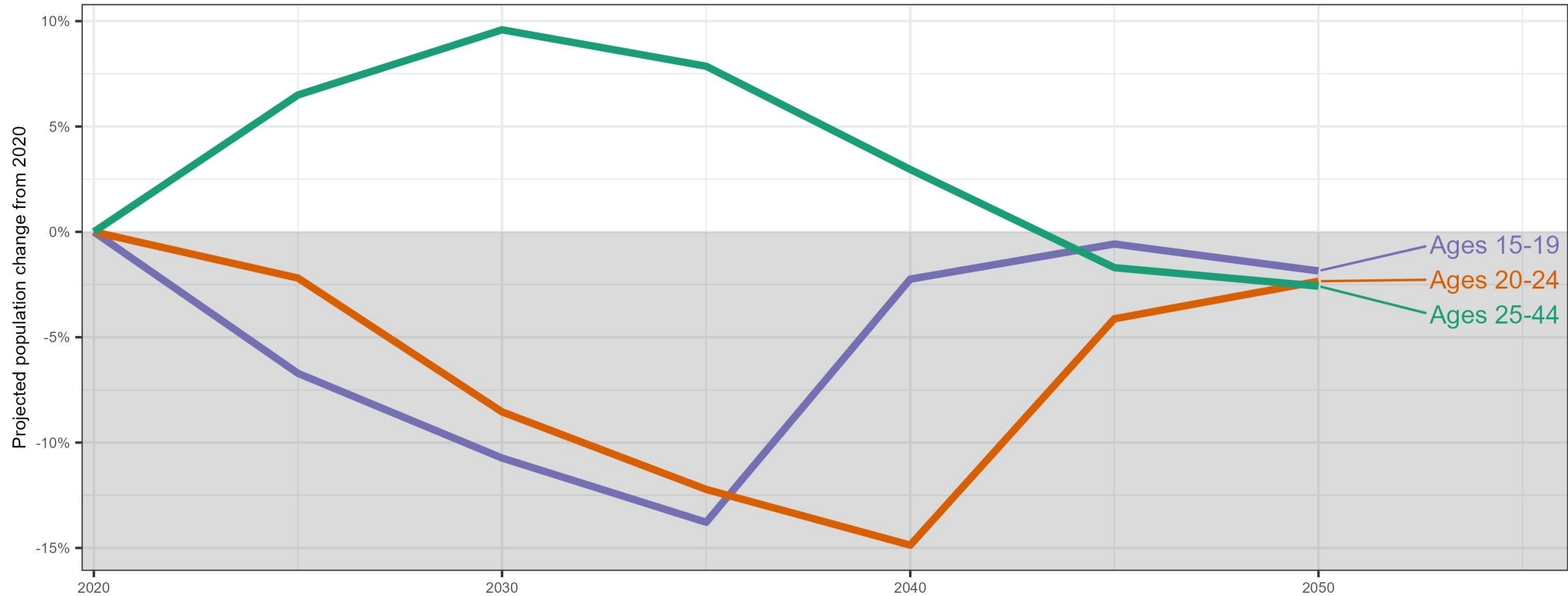
Source: Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2020.
<https://knocking.wiche.edu/data/knocking-10th-data/>

Actual and Projected High School Graduates in New Hampshire



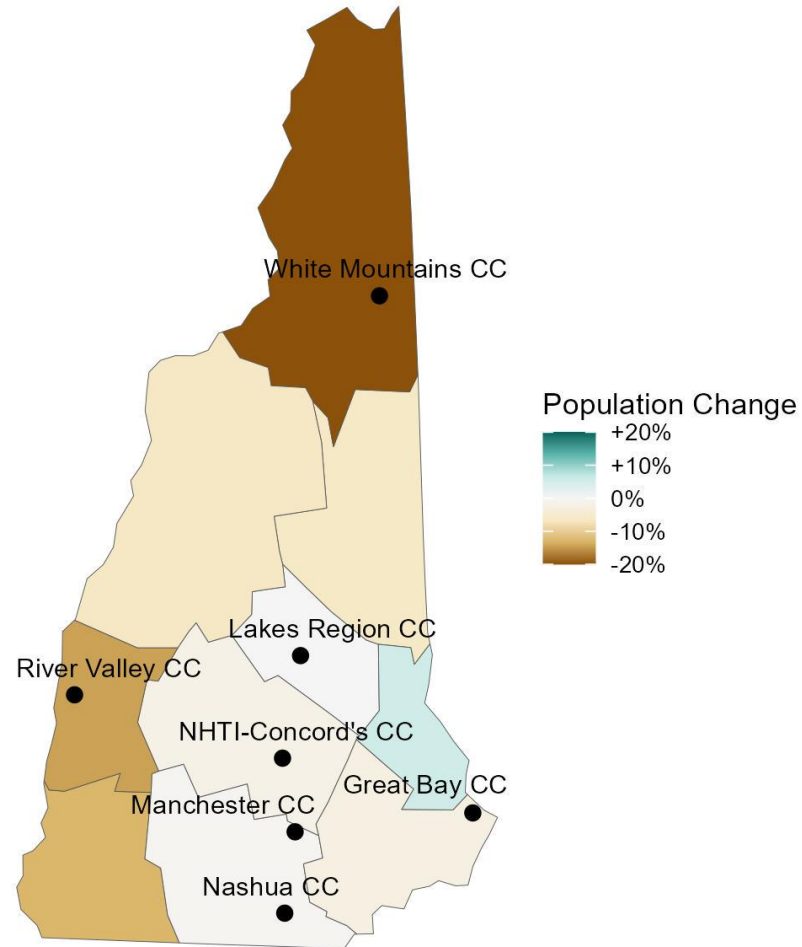
Source: Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2020.
<https://knocking.wiche.edu/data/knocking-10th-data/>

New Hampshire Projected Population by Age, Percent Change from 2020 to 2050



Source: NH Department of Business and Economic Affairs.

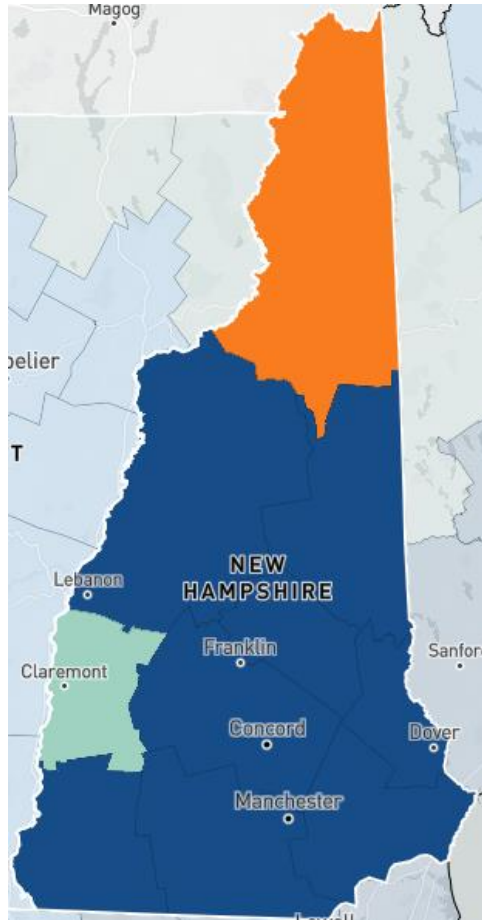
Projected Change in Population Age 15-44 From 2020 to 2050, by County



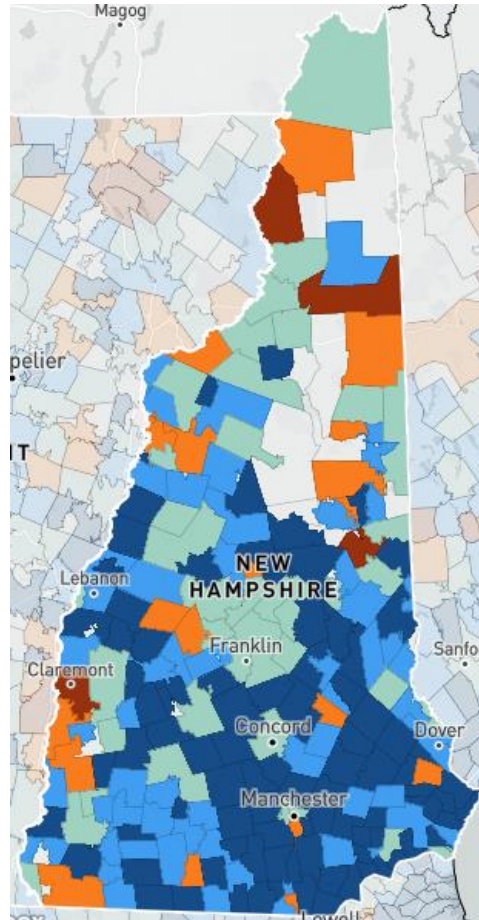
Source: Source: NH Department of Business and Economic Affairs.

Distressed Communities Index

By County



By Zip Code



Components

- No high school diploma
- Housing vacancy rate
- Adults not working
- Poverty rate
- Median income
- Change in employment
- Change in establishments

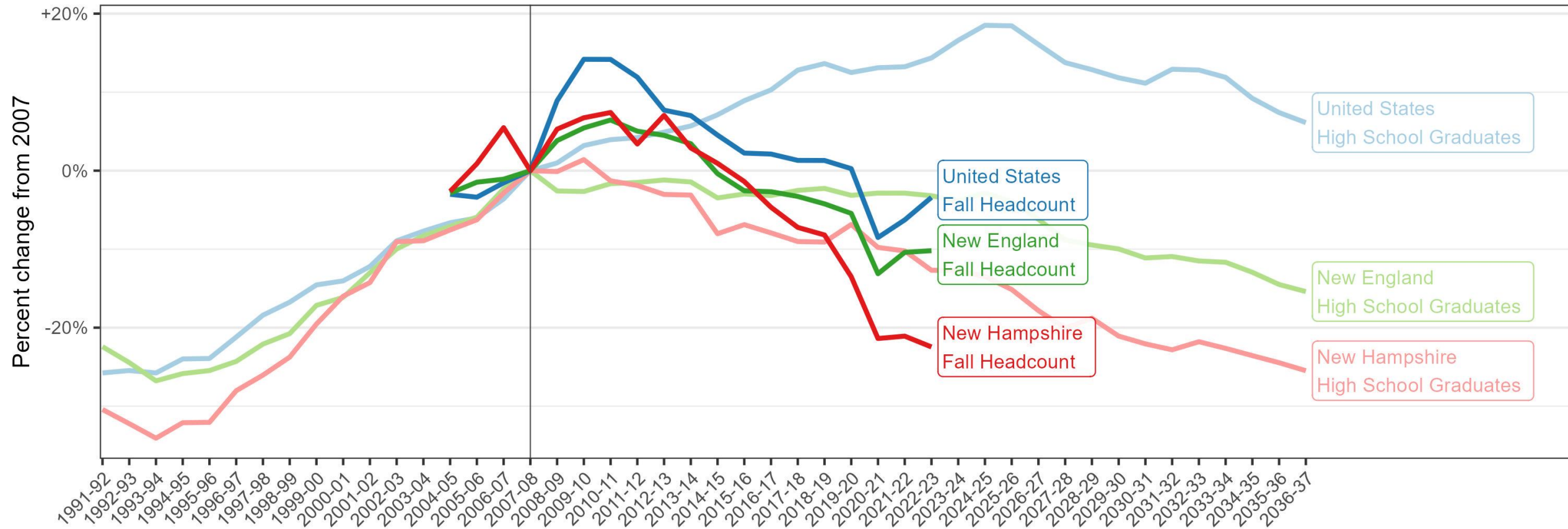
Source: Economic Innovation Group

5 TIERS OF COMMUNITIES



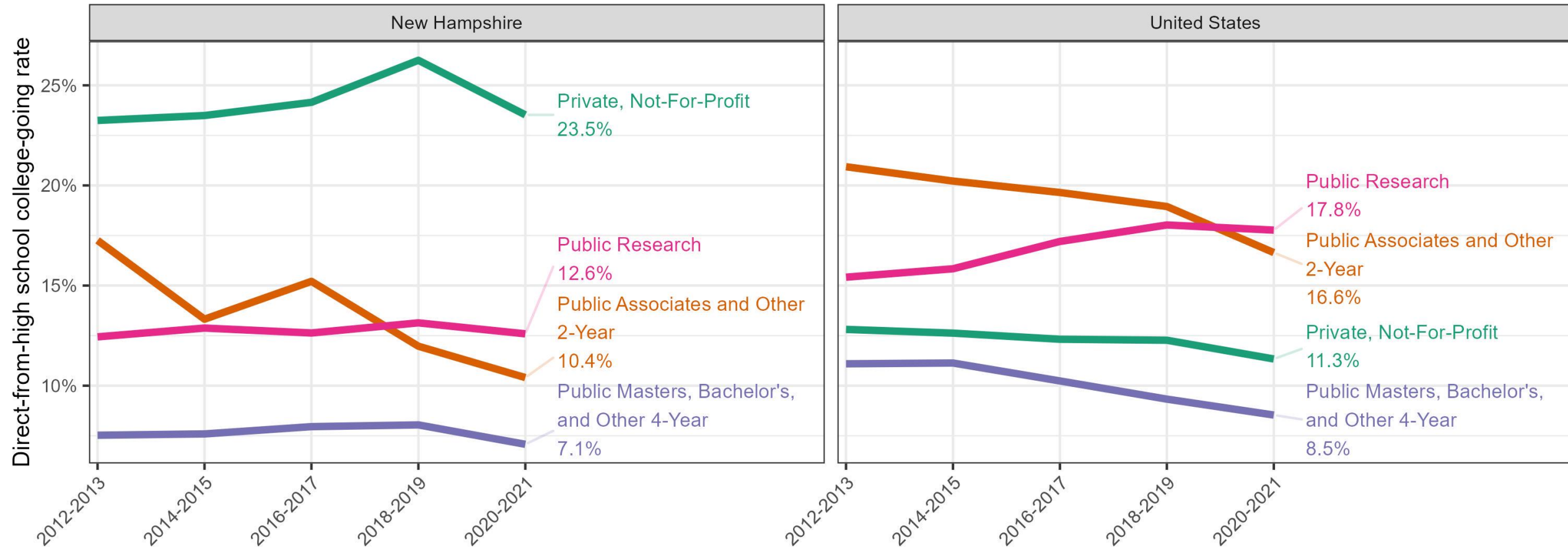
* DCI not calculated for areas with fewer than 500 people

Cumulative Percent Change in First-time Fall Headcount and High School Graduates



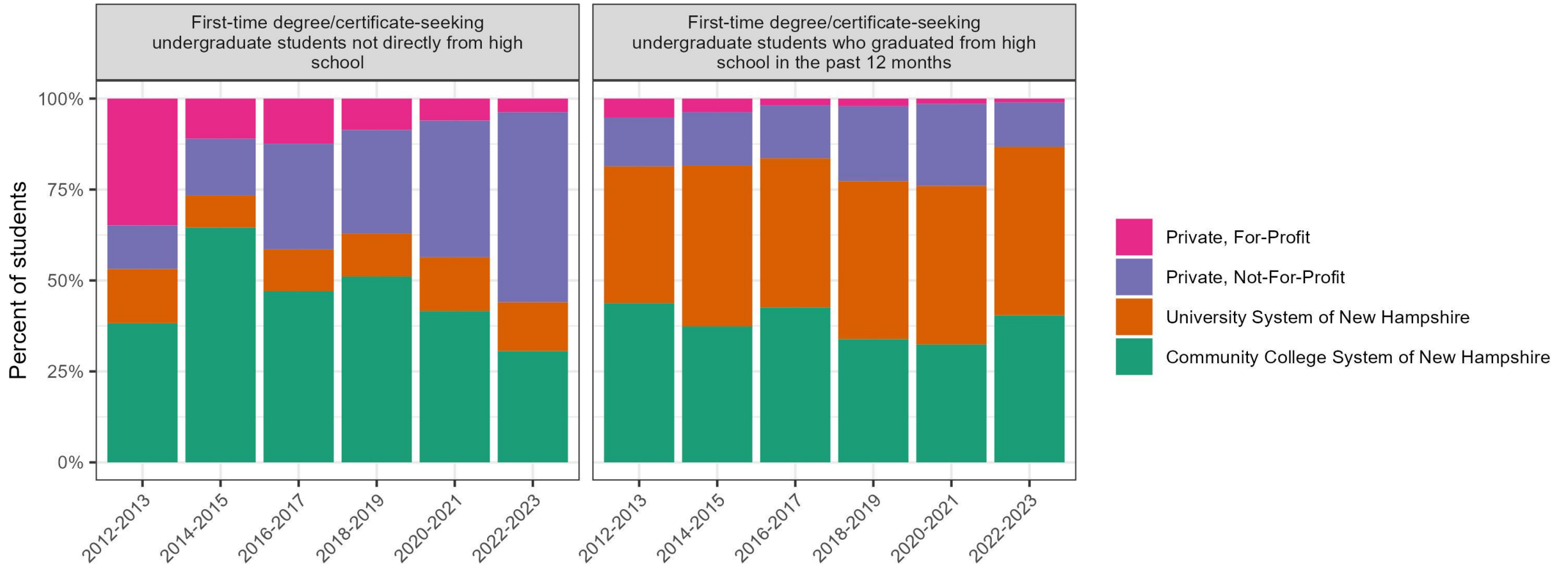
Sources: HS Grads from Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2016-2020. Fall Headcount from NCES IPEDS Fall Enrollment Survey, files efYYYYYa. 2004-2021 final release files; 2022 provisional release. Notes: New England includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. Fall enrollment includes first-time-in-college, degree-seeking undergraduates at Title IV institutions. SNHU is excluded from NH and New England numbers, but included in US totals.

Change in College-Going Rates by Sector, 2012-2020



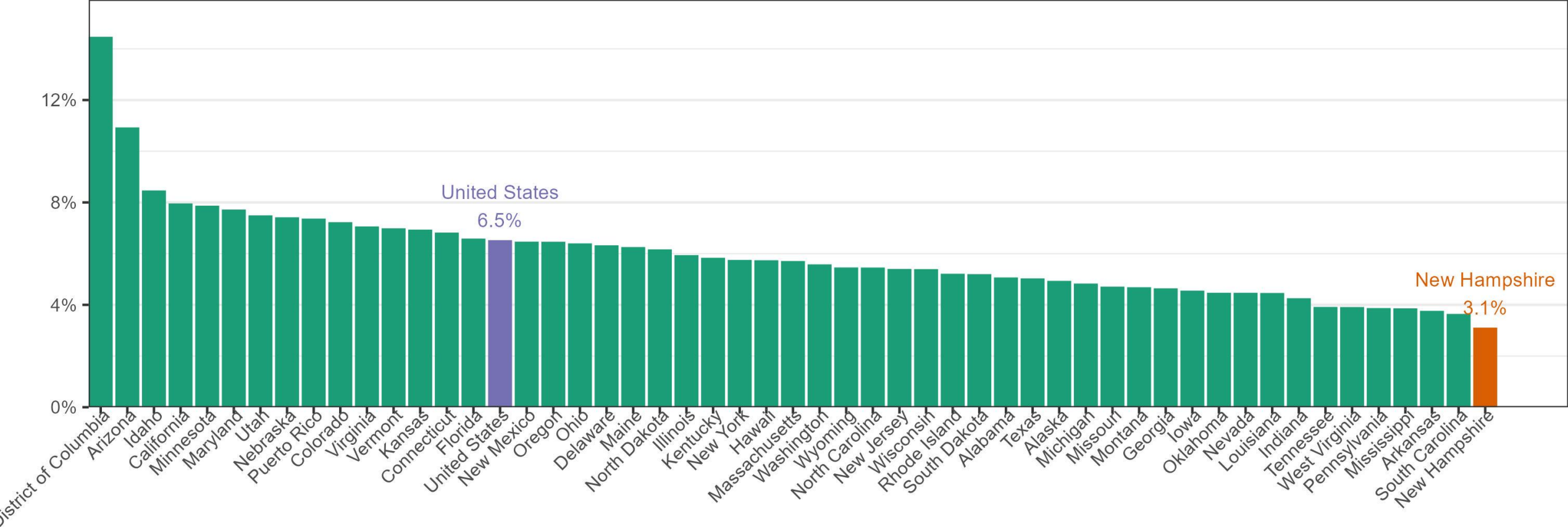
Sources: NCES IPEDS Fall Enrollment Survey, files efYYYYc, 2012-2020 final release files; Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2020. Note: represents students attending institutions within the 50 states + DC as degree-seeking students in the fall after graduating from high school.

Percent of In-State, First-Time Students in New Hampshire by Sector



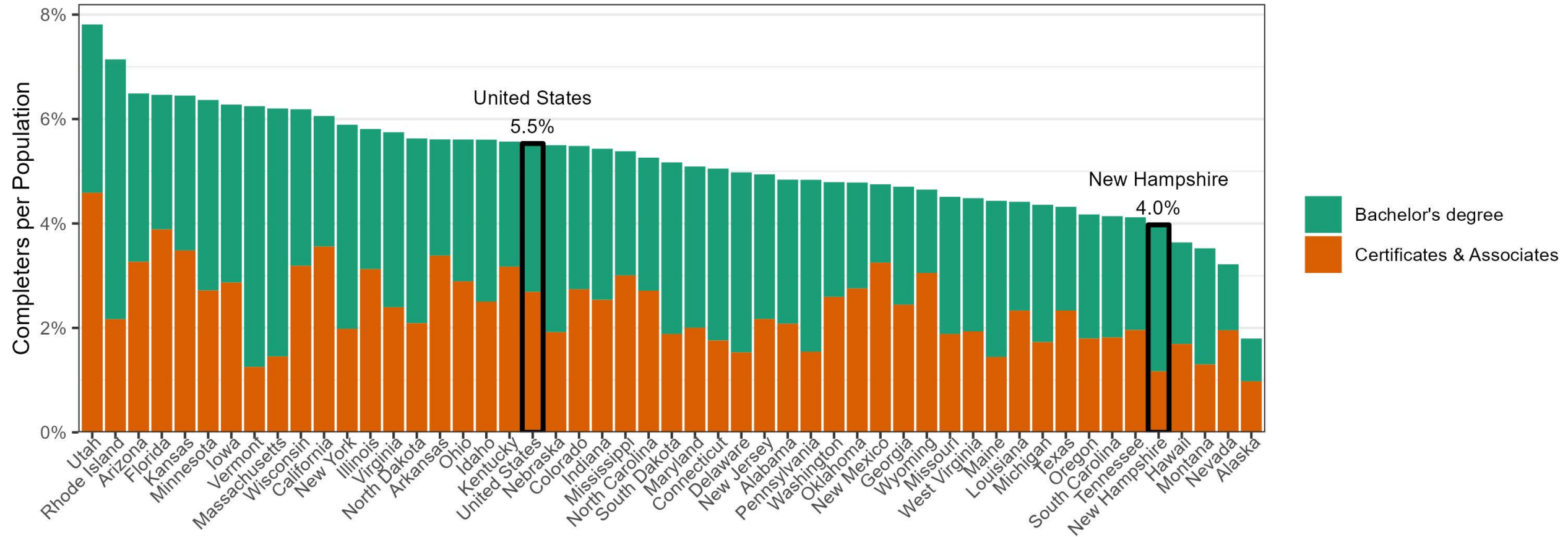
Source: NCES IPEDS Fall Enrollment Survey, files efYYYYc, 2012-2020 final release files; 2022 provisional release. Note: represents NH students attending NH institutions as first-time degree-seeking students. SNHU is included.

Undergraduate Enrollment 25-49yo as a Percent of Population 25-49yo with Less than an Associate's Degree, Fall 2021



NCES IPEDS Fall Enrollment Survey, ef2021b final release file and U.S. Census Bureau; American Community Survey (ACS), 2021 One-Year Public Use Microdata Samples (PUMS) . Note: Enrollment based on all Title IV granting institutions. Large online institutions -including SNHU- are excluded from state totals but included in national numbers.

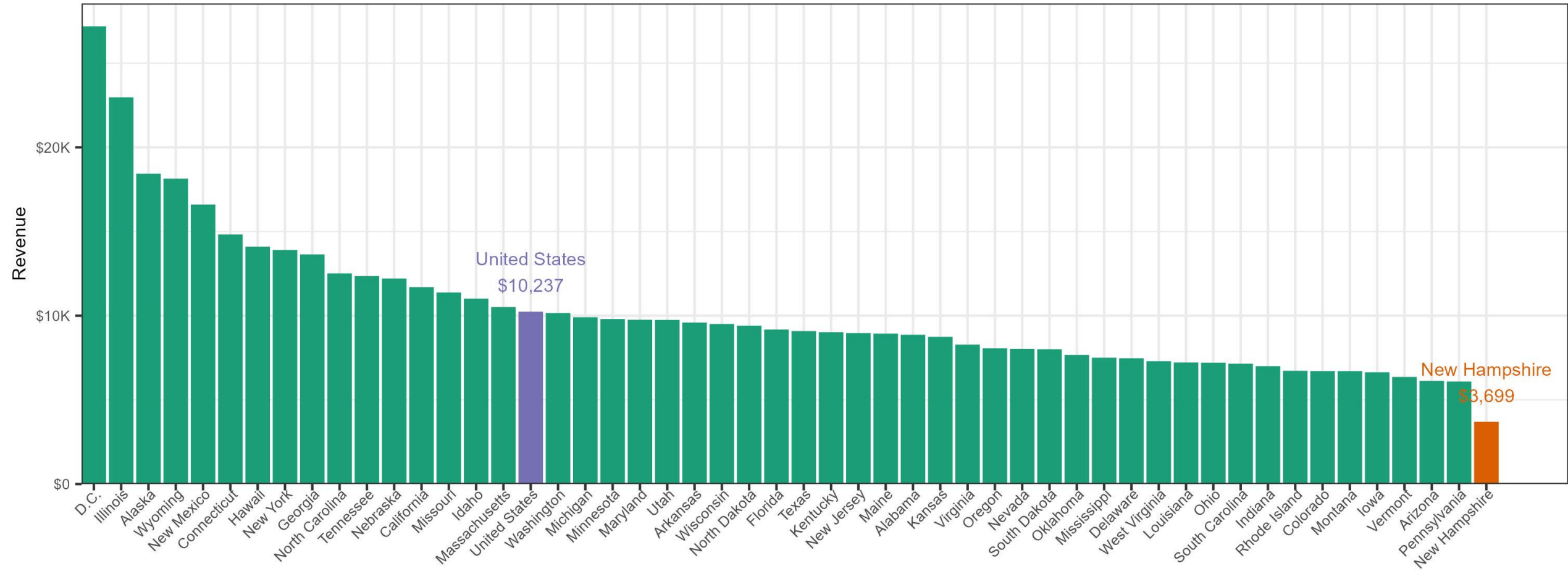
Undergraduate Completers per Population Age 18-44 with No College Degree, 2021-22



Sources: U.S. Census Bureau, 2022 American Community Survey One-Year Estimates, Table B15001; and NCES IPEDS Completions Survey, c2022_c provisional release files. Note: Includes all undergraduate completions from all Title IV institutions. Large online institutions -including SNHU- are excluded from state totals but included in national numbers.

Finances

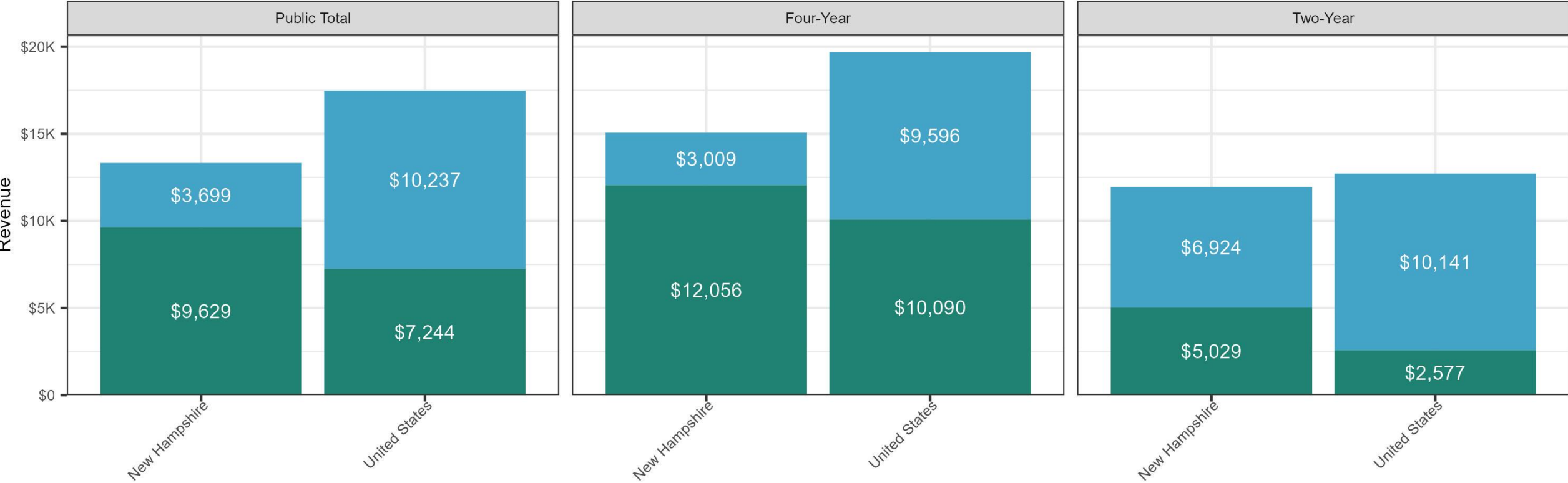
Educational Appropriations per FTE, FY 2022



Source: State Higher Education Executive Officers Association. (2023)
 State Higher Education Finance: FY 2022. Note: Values adjusted for cost of living (COLI), inflation (HECA) and enrollment mix (EMI).

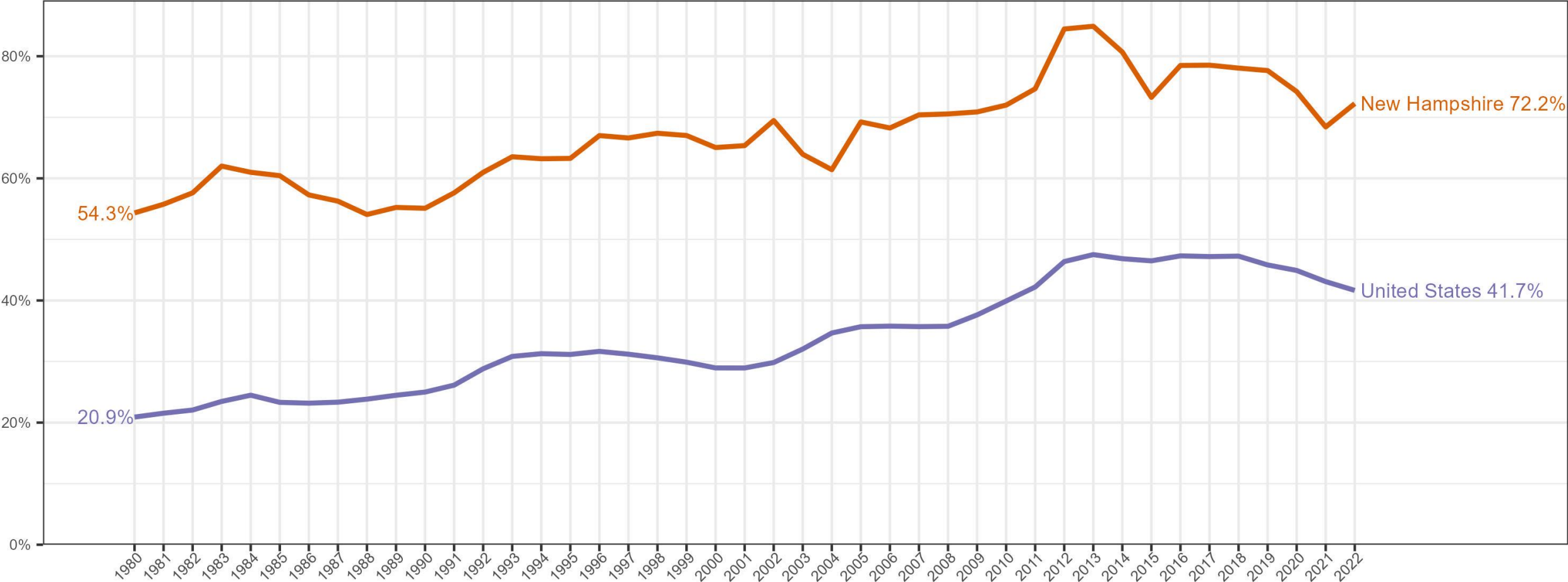
Educational Appropriations vs. Net Tuition Revenue by Sector, FY 2022

■ Net Tuition and Fee Revenue
 ■ Education Appropriations



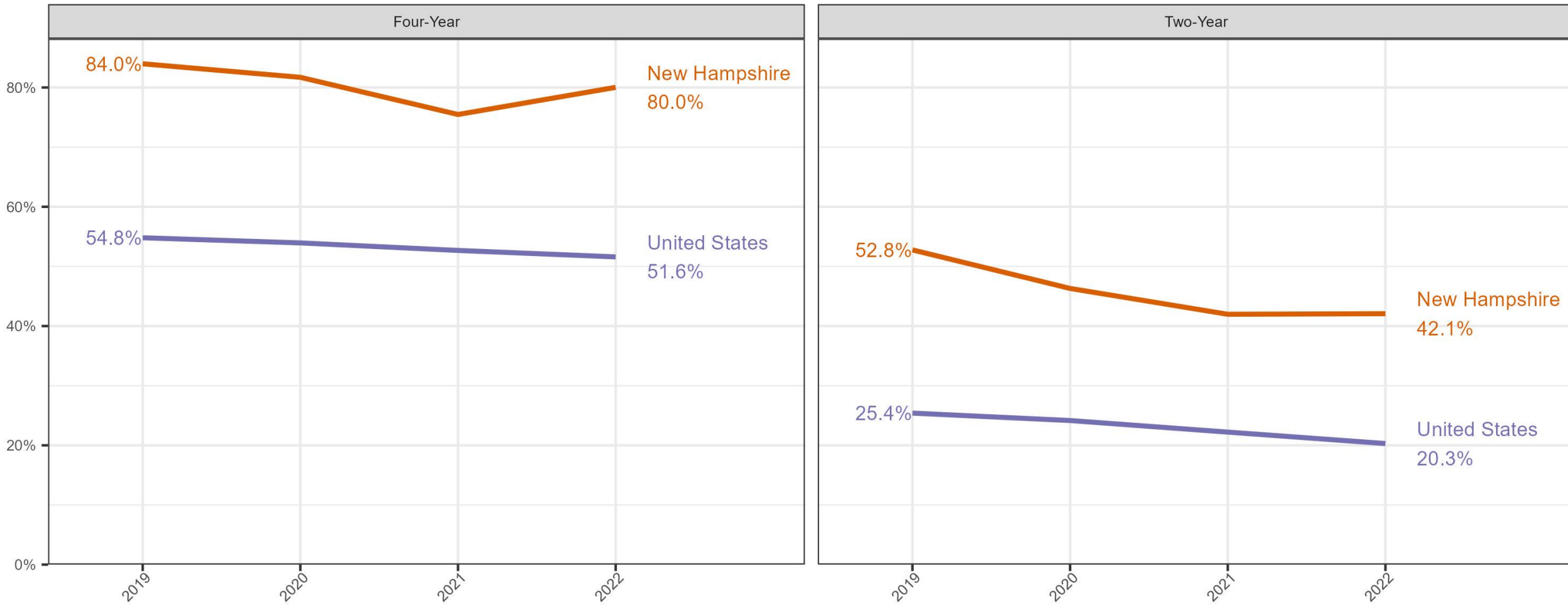
Source: State Higher Education Executive Officers Association. (2023) State Higher Education Finance: FY 2022. Note: Values adjusted for cost of living (COLI) and inflation (HECA). Public total columns also adjusted for enrollment mix (EMI).

Student Share of Total Education Revenue



Source: State Higher Education Executive Officers Association. (2023)
 State Higher Education Finance: FY 2022.

Student Share of Total Education Revenue, by Sector



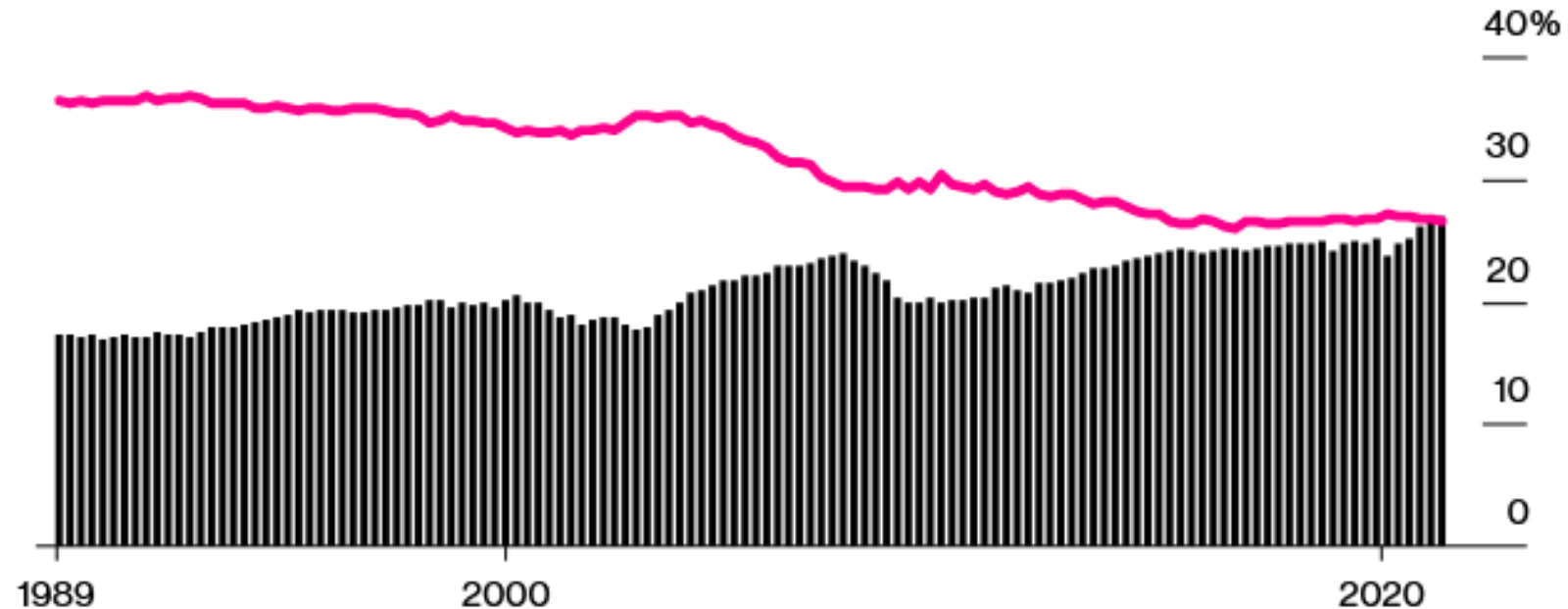
Source: State Higher Education Executive Officers Association. (2023) State Higher Education Finance: FY 2022.

Limits in Relying on Tuition Revenue

Rise of the Super Rich

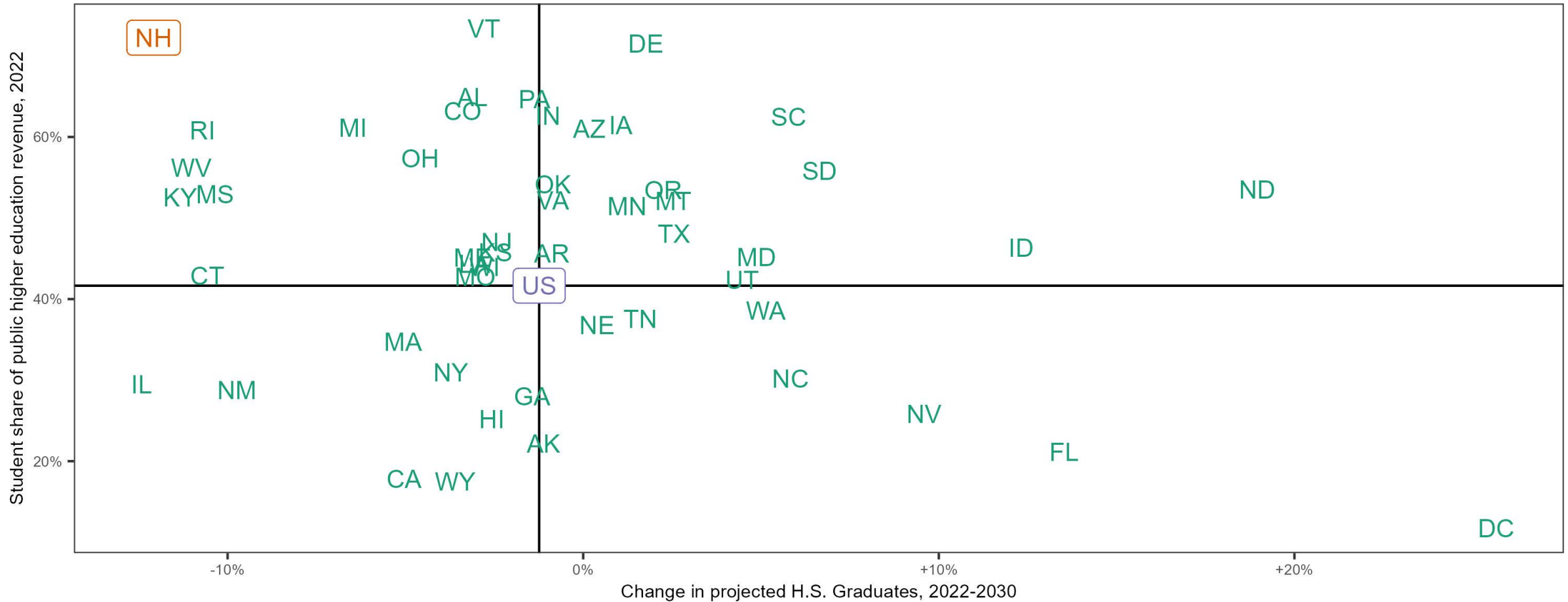
Middle-class Americans now hold less wealth than the top 1% by income

■ Top 1% / Middle 60%



Source: Federal Reserve

Student Share of Revenue vs. Projected Change in H.S. Graduates



Sources: State Higher Education Executive Officers Association. (2023) State Higher Education Finance: FY 2022; Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2020.

Innovative State Responses

Typical Reactions

- “Are we overbuilt for our needs?”
- Frustration with pace of change leads to questions about governance
 - Allocation of authorities & oversight
 - Leadership
- Concerns about relevance of programs
- Attacks on faculty prerogatives / autonomy
- Alterations to the funding model

Structure & Governance

- Consolidating institutions, single accreditation
 - Greater efficiency, match demand with supply, seamless student experience
 - Connecticut, Minnesota, Pennsylvania, Vermont, [Redacted(3)]
 - Minnesota North College = combination of six rural CCs in the NE part of that state (with little obvious drama)
- New governance (use at your own risk!)
 - Elevate workforce-relevant programming as a priority, better serve target populations
 - Utah
- Co-location
 - Reduce footprint, facilities costs; possibly lean into combined services, seamless movement as a byproduct
 - Butler CC (Pittsburgh), SUNY-Plattsburgh & Clinton CC
- Closing institutions/locations
 - Wisconsin

Systemness & Collaboration

- Systemness: “institutions coming together collaboratively to leverage collective resources to add value to students and society” (Lane, NASH)
- Administrative services
 - Collaborative for Higher Education Shared Services (CHESS) (NM)
 - Numerous examples in private higher education
 - College and University Sustainability Project, funded by Lilly Endowment – forming an independent non-profit corporation for sharing services among four private institutions in the Midwest
- Academic delivery
 - Course-sharing platforms – SREB’s HBCU collaboration, CIC, CACE (OK)
 - Program delivery – Missouri Health Professions Consortium
 - Common Systemwide platforms for:
 - Online delivery
 - Prior Learning Assessment
 - Competency-Based Education

Money

- Seeding innovation, transformation
 - Oregon: Special one-time appropriation of \$25M to help vulnerable institutions invest in a path to improved financial viability
 - Vermont: Multi-year appropriation backed by a “compact” to transform
- New funding models
 - Adjust incentives, address “creeping inequities” and unproductive competition
 - Illinois, Missouri, New Mexico, Nevada, Oregon, Texas
- Pricing models
 - Reducing prices for non-residents to compete in larger markets, offset anticipated losses in resident enrollments (Connecticut, Minnesota, North Dakota, South Dakota)
 - Financial aid for high-demand programs (Iowa, Missouri)
 - New Economy Workforce Credential Grant (Virginia) – 1/3 student upfront; 1/3 student who fails to complete, otherwise state; 1/3 state pays institution when student completes
- Studying financial viability
 - Evaluate future conditions and impact on institutions, stress-test institutional sustainability, develop strategic responses
 - Connecticut, South Dakota

Policy and Implementation Support Related to Curriculum, Student Success, and Strategic Decision-making

- Program review
- Dual enrollment
- “Upside-down” programs, meta-majors
- Adoption of OER (e.g., University System of Maryland)
- Predictive analytics and institutional research
- Student engagement activities around the first-year experience
- Adoption of PLA, CBE in ways that support seamless student experiences

Quick Summary

- Current Conditions in New Hampshire and Nationally: unfavorable demographics, skepticism of higher education, mounting fiscal pressures, skills & new providers
- New Normal: there are not a lot of new or proven models (even though we know a lot about how to bolster student success)
- Institutional Responses: marketing and recruitment → heightened competition; new programs, closures & consolidations
- State Responses: efficiency studies; governance reform; study structures and funding models; and provide funding for transformation, for parity among institutions

Lessons From NCHEMS' Work

Tools and Goals

Strategies for Achieving Goal Attainment	Planning and Agenda-setting	Finance	Regulation	Accountability	Structure for Functions other than Governance
Goal 1					
Goal 2					
Goal 3					

The diagram features two highlighted elements. A vertical yellow bar labeled 'Consistency' is positioned in the first column, spanning the rows for Goal 1, Goal 2, and Goal 3. A horizontal green bar labeled 'Alignment' is positioned in the 'Regulation' column, spanning across the 'Planning and Agenda-setting', 'Finance', 'Regulation', and 'Accountability' columns. The 'Alignment' bar has green dots at its ends, extending into the 'Planning and Agenda-setting' and 'Structure for Functions other than Governance' columns.

General Principles

- Be clear about goals and motivations.
 - Put students and state/regional priorities at the center of attention; institutions are a means to those ends.
- Ensure programs are available to students in all parts of the state.
- Effective stewardship of taxpayer funding and tuition should be demonstrable.
- A crisis is a terrible thing to waste. But a crisis is a terrible thing. Deliberate action—not just debate—is crucial.
- Transparency and open communication is worth its weight in gold.
- Ensure constructive “demand side” voices are prominent—maybe should be given a leadership role.

The Impulse to Shutter Campuses (i.e., State Assets)

- Be prepared to respond to campus closure proposals
 - Diminishes state assets' value immediately, costs of closure are significant
 - Ensure students have appropriate supports
 - Focus on self-sustaining, relevant programs; other programs can be imported
 - Consider impact on communities and educational access
 - Connecticut, Vermont, Wisconsin

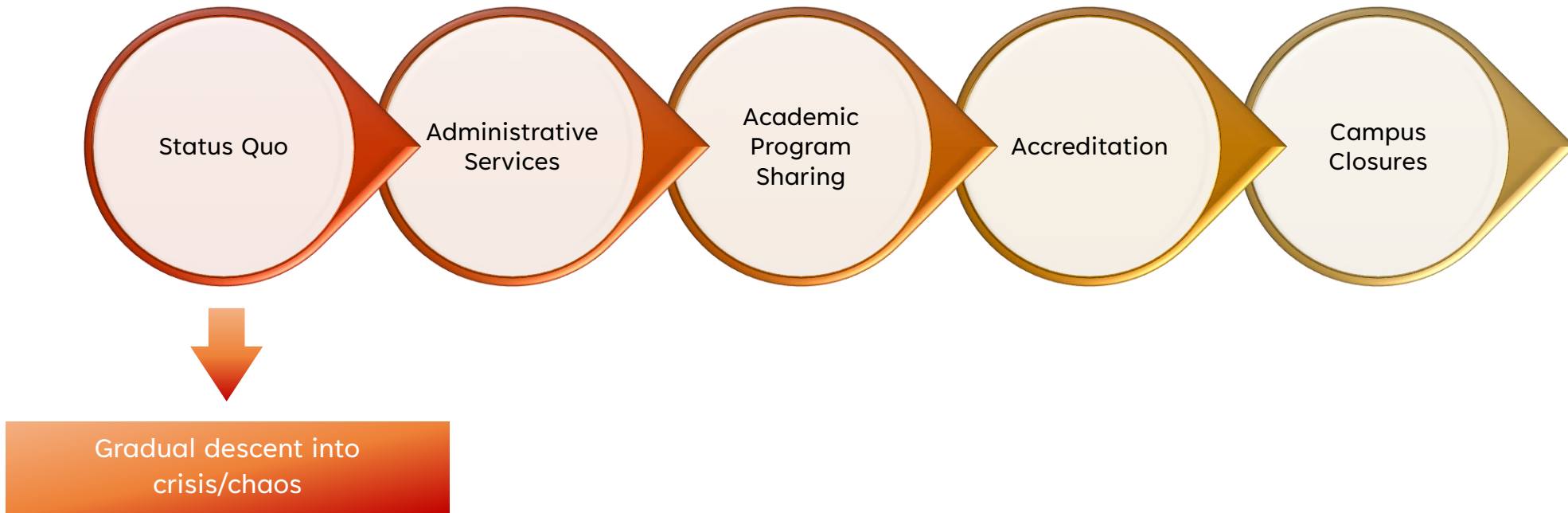
Reaching Solutions: Identify Available Tools

- Clear goals
- Resource allocation
- Board policy and regulation
- Allocation of decision authority
- Data and metrics, supported by stakeholder outreach
- Board's obligation and capacity to exercise independent, impartial, and future-oriented leadership

Reaching Solutions: Unleash the System

- Be relentless in searching for how the system can add value
 - Administrative and academic collaboration
 - System's role should be primarily a solutions facilitator, less a regulator or operator—clarify the functions that must be executed by each entity
 - Collaboration \neq consolidation

Spectrum of Possibilities



Principles Concerning Consolidation

1. Increase efficiency over the long-term; success likely requires added costs initially
2. Preserve and enhance services
3. Recognize culture and heritage as a significant barrier and formulate engagement strategies to address it
4. Appreciate distinct missions and existing relationships, and know how consolidation will achieve goals
5. Understand there is no single or perfect form—statewide vs. regional, variations by academic program, timing, etc.
6. Focus on functions first, institutions if necessary

Adequacy & Equity Budgeting Framework

	Category	Function and Roles	Funding Responsibility
	Other	Advancement, auxiliaries, athletics, etc.	Self-support
	Research and Public Service	Grants management, community engagement, museums, arts, extension services	Self-support
	Innovation/Performance Enhancement & Equity	Investments in continuous improvement in all areas	Mix
	Scale	Course sections, academic support, student services (tutoring, student health, organizations and activities, etc.)	Mix
	Scope	Breadth of academic programming offered, variation in costs of delivering different programs.	Mix
	Maintenance/Renewal	Strategy and planning, deferred maintenance, program/curriculum renewal and relevancy, personal and professional development	State
	Foundational	Senior leadership, governance, compliance, debt obligations, foundational systems (LMS, public safety infrastructure, etc.)	State

Discussion

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