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Higher education institutions today must answer tough questions in order to understand the state of their institutions, and where they need to transform to ensure sustainability. Recent surveys found that the majority of higher education business leaders are not confident or only somewhat confident that they have access to all the data they need to make the most informed financial or business decisions for their institution. It's not just lack of data. Institutions also struggle with manual processes and inefficient workflow between departments.

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1. Personalizing the student experience: student expectations are higher than ever before, and institutions must deliver the highly-personalized, connected experience modern students expect
2. Promoting student success: it's no longer enough to get a student through the door. Institutions must focus on delivering the service and support that students need to be successful, all the way through to job placement
3. Fostering institutional excellence: becoming a modern, agile campus requires a fundamental shift in business processes. Campus leaders must focus on simplifying, standardizing, centralizing, and automating systems and processes in order to change for the better.
4. Empower lifelong learning: finally, personalization doesn't just apply to the student's experience on campus – it extends into the classroom as well. Learners want highly individual, highly contextual content wherever –and whenever– they learn.

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Keith Rajecki

Senior Director, Education and Research

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Introduction

For many colleges, demographic and financial trends point to increased challenges in fulfilling their missions. As a result, finding a competitive advantage is more important than ever – for institutions of all types that vary widely in their needs, wealth and student bodies.

For some colleges, the competitive advantage comes early on – in devising admissions strategies to attract more or better students than have enrolled in the past. For many other colleges, the strategic advantage is in developing new ways to support teaching and learning, or assessing what and how much students learn. For others, it is adding academic programs that match their mission. For still others, it is finding the right way to go online.

As more colleges seek to find the right competitive advantage, *Inside Higher Ed* will be sharing the stories. Please send suggestions for future coverage or your comments on this compilation.

--The Editors
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Digital, Verified and Less Open

BY PAUL FAIN

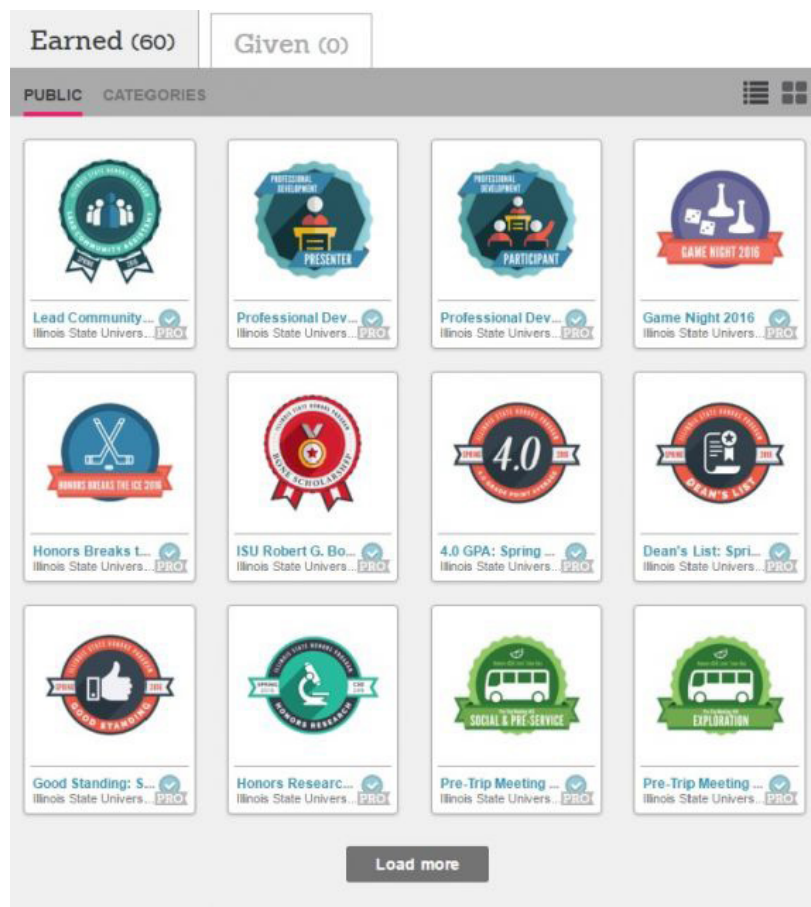
More colleges issue digital badges to help their students display skills to employers or graduate programs, and colleges tap vendor platforms to create a verified form of the alternative credentials.

Digital badges aren't replacing the bachelor's degree any time soon. But a growing number of colleges are working with vendors to use badges as an add-on to degrees, to help students display skills and accomplishments that transcripts fail to capture.

Illinois State University is an early adopter. Students in the university's honors program have earned roughly 7,400 digital badges as part of the experiment, which just began at full scale in 2015. The university brought in Credly, a badging platform provider, for the project.

Administrators at Illinois State said the badges serve as a form of verified "three-dimensional transcript," which augments the traditional degree.

"It's a way for them to organize all of their experiences, all of the



skill sets they learn," said Rocio Rivadeneyra, the honors program's interim director.

Students control which badges are public, and the credentials are aimed at helping students position

themselves with potential employers or graduate programs, said Amy Oberts, the honors program's associate director, who helped create the badging project.

"Even their diplomas would not necessarily reflect their good standing and ongoing achievements as honors students," she said, adding that the badging platform creates a "collection of iconic badges that actually comes up on their phones."

This form of digital badge, Oberts said, is a visual way of displaying both curricular and co-curricular experiences and achievements. That could include academic achievements, like seminar courses or bi-

ology lab work, or noncollege skills learned through internships or volunteer work.

For example, Jackie Durnil, a senior in the university's honors program, includes 60 earned badges on her Credly profile.

Durnil, who is majoring in communication sciences and disorders, displays badges that describe scholarships she earned, a presentation she gave at a professional development night, her role as a peer mentor, her 4.0 grade point average last semester and her independent study in speech pathology.

She also earned a badge for working with a nonprofit that makes meals for malnourished children and for going on an alternative spring break in 2015, during which she worked with a Georgia chapter of Habitat for Humanity.

Badges earned by students at Illinois State are backed with evidence and the imprimatur of the university. That differs from Mozilla Open Badges – freely available software and badging standard that is perhaps the most prominent foray into digital badging. Anyone can issue a badge on the Mozilla platform, to anyone, even themselves.

Illinois State's honors program created the criteria for earning a badge. Faculty members and students can submit evidence of their learning or skills, such as PDFs of essays, cloud-based documents

like infographics, YouTube videos and PowerPoint or Prezi presentations. Many of Durnil's badges, for example, include uploaded documents and links, such as a PDF documenting research she conducted for an independent study project.

Course instructors typically evaluate the evidence behind a badge application, with exception being when honors program or other university staff can review the evidence, such as for service learning badges or ones that simply draw from a GPA or other student record.

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When you earn [a high-quality, verified badge], it's going to be meaningful, and you should talk to an employer about it.

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“We chose Credly because their badges offered the option of requiring evidence to be uploaded by students, and we wanted a way to encourage students to create compelling artifacts in response to their different learning experiences,” Oberts said via email. “The artifacts created by students become the evidence of learning that is evaluated by instructors and, at the discretion of the student, shared with future employers.”

Between the Résumé and Google

One in five colleges have issued digital badges, according to the results of a recent survey of 190 institutions by the University Profession-

al Continuing Education Association (UPCEA) and Pearson. And like Illinois State, most institutions that have dabbled with the form of alternative credentialing hired an outside company to get the ball rolling.

The New York City-based Credly, along with Merit Pages and Pearson's Acclaim, is among those making the most headway as a skills-displaying platform in higher education. Other platforms experts say are worth watching include Badgr, BloomBoard and the PD Learning Network.

The platforms vary in many ways, including whether they technically issue “badges.” Merit Pages, for example, began working with colleges on its visual, verified profiles of students' skills before Mozilla began its open-badging project. The company now has more than 250 colleges as clients, ranging from small religious colleges to Georgia State University and the University of Iowa.

The company began with the goal of trying to “take all the things that are happening at colleges and put it in one place,” said Colin Mathews, Merit's founder and president. College employees in marketing, student affairs or even athletics departments update students' profiles to recognize their participation in study abroad, the college newspaper or intercollegiate athletics. And colleges “record the outcomes as they happen,” Mathews said.

One key difference between badging platforms is how easy they make it for potential employers to search for someone's profiles or badges.

Sheryl Grant is director of alternative credentials and badge research for HASTAC (Humanities, Arts, Science, and Technology Alliance and Collaboratory), an interdisciplinary academic social network. She said vendor-run badging platforms exist somewhere on the continuum between a static résumé and a Google search about a job applicant.

Vendors and their expertise make it easier for colleges to create badges, said Grant, who is a Ph.D. candidate at the University of North Carolina at Chapel Hill's School of Information and Library Science. She praised Credly for encouraging the use of evidence with badges, including from professors, who can recognize learning beyond the grades they issue.

"When you earn it," Grant said of a high-quality, verified badge, "it's going to be meaningful, and you should talk to an employer about it."

Grant and other experts describe digital badges as being related to competency-based education, where mastery of learning concepts, not grades, is the primary currency.

Students in competency-based programs appreciate the "value of credentialing in real time," said Jonathan Finkelstein, Credly's founder and CEO.

Pearson describes Acclaim as a

way for "respected brands," including colleges, to "recognize individuals' competencies through digital badges." And there's a big need to be filled, said Peter Janzow, the senior director of business, market development and the open-badges lead at Pearson VUE.

"Once we get out of school, there's no formal way for representing what we know and can do," he said.

Institutions with deep track records in competency-based education have been natural fits for digital badging -- Brandman University and Capella University both have been active in the space. But many community colleges and four-year universities also have hired Acclaim, Credly and Merit Pages.

At Santa Barbara City College, for example, students can earn digital badges on the Acclaim platform in digital design, blogging for business and computer hardware fundamentals, among others. Janzow said the "outcomes-based credentials" are designed to answer the questions: Who did this? What did they do? And who says they did it?

"We don't want to empower organizations that are making this up as they go along," said Janzow, adding that a digital badge "has to be valuable in an outside context."

The most important contexts are searching for a job or trying to get into a graduate program. Credly and Acclaim work with many employers -- IBM uses both, for example.

Finkelstein said companies like Time Warner Cable issue badges on the Credly platform to recognize their employees' skills and accomplishments. Harvard University is also a client, and uses the platform in a similar fashion with its IT employees.

When companies already use badges internally, Finkelstein said, they're more likely to look at them in the hiring process. And in some cases, such as with the Colorado Community College System and the state's advanced manufacturing companies, employers and colleges collaborate to design the criteria for earning a badge.

"They want to ensure that the badges have market value," he said.

The Lumina Foundation has taken notice. Lumina, which is leading a group project on alternative credentials, contributed to \$2.5 million in seed financing for Credly. The goal, Lumina said at the time, was to the creation of high-quality credentials that recognize lifelong learning.

Badges, if they take off, have the potential to be earned by people long after they graduate from college. And proponents of badging said that feature will become more useful as the knowledge economy matures.

"People should own the evidence of their own achievements," Finkelstein said. "Skills that have been verified by a third party should be a very valuable currency." ■

<https://www.insidehighered.com/news/2016/08/09/digital-badging-spreads-more-colleges-use-vendors-create-alternative-credentials>

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Coding Goes Mainstream

BY MAXINE JOSELOW

Traditional colleges including Northeastern University and Bellevue College are entering the coding boot camp market by partnering with boot camp providers or by creating their own programs.

The demand for employees familiar with coding and data analytics has never been higher. By one estimate, the number of job openings including the phrase “data analytics” has increased by 372 percent since 2011.

Many traditional colleges are rushing to meet this demand. And there’s arguably no better way than by entering the coding boot camp market.

Coding boot camps are immersive programs that teach students programming languages. They often last several months and offer some sort of career counseling at the end. In 2015, according to a study by Course Report, 67 coding boot camps nationwide produced over 16,000 total graduates and raked in \$172 million in revenue.

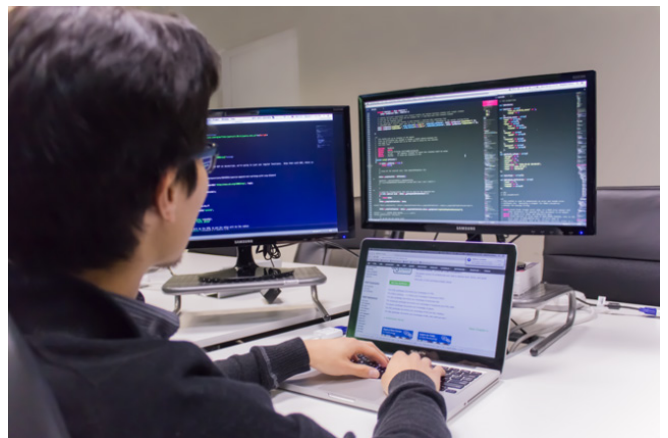
Some colleges have created their own boot camps from scratch. Others have partnered with outside organizations that already offer boot camps, drawing on existing instruc-

tors and resources.

“The whole premise of the coding boot camp is there’s a big skills gap,” said Kevin Saito, vice president of marketing and product management at Coding Dojo, which offers boot camps in six cities as well as online. “The need for developers in our economy exceeds institutions’ ability to produce them.... But web development as a skill itself is something that someone can pick up in a relatively short amount of time with perseverance.”

Pushing for Partnership

Graduates of Bellevue College don’t have to look far for jobs in the tech industry. The community college’s north campus in Bellevue, Wash., sits across the street from Microsoft headquarters. Dozens of other tech companies -- including Amazon, Google and Boeing -- have



offices nearby in the Seattle area.

“We’re lucky. We kind of won the zip code lottery,” said Mark Veljkov, product manager for Bellevue.

In fall 2016, the college is capitalizing on its luck by partnering with Coding Dojo to provide a boot camp. Students will meet two days a week in a classroom on Bellevue’s continuing education campus. They will also complete online assignments through Coding Dojo’s learning management system. (They will not be enrolled as credit-seeking students at the college.)

Partnering with Coding Dojo was much easier than launching a new program would have been, Veljkov said. "Creating high-quality content for a coding boot camp is expensive," he said. "You not only have to create the content, but you also have to find subject-matter experts. And that's just to get you started, since sometimes six months later you have to redo the content because the technology has changed."

The typical student in the boot camp will be a working professional, Saito said. "These are people who have a good day job and are looking to enhance their skills," he said.

"Maybe they work in a somewhat technical field, and they're looking to become more technical. Maybe they're a software tester, and by learning Ruby on Rails or Java they could transition to a software developer."

Graduates of the program will get a hand with finding jobs. Recruiters from the staffing firm Insight Global will help graduates identify their interests and secure a permanent position or contract work, Veljkov said.

The program comes with a relatively steep price tag. Each web development stack has three modules, and students can pay \$1,299 for an individual module or \$3,500 for all three modules. Since Coding Dojo is unaccredited, students can't receive financial aid to offset that cost.

While these figures might give some potential students sticker

shock, they're fairly typical of the market. The average boot camp costs around \$11,000 for 11 weeks of training, according to the 2015 Course Report survey.

Still, Bellevue has been mindful of opening up the program to low-income students. The college's Economic Workforce and Development Office can offer some students funds through a federal grant, Veljkov said. The college will also track the progress of a 2015 project from the U.S. Department of Education, which could pave the way for access to federal financial aid.

In October 2015, the department

boot camps through partnerships. Institutions such as Lynn University have worked with nonaccredited General Assembly, the largest boot camp provider, while Northwestern University and the University of Texas at Austin have teamed up with Trilogy Education Services.

UT Austin launched the first round of its boot camp in April and the second round in July, said Stephen Walls, deputy director of Texas Extended Campus and senior lecturer of marketing at UT Austin. The program costs \$10,000 for 24 weeks, and the university remains hopeful about working with the Education

Department to receive federal aid in the future, he said.

"The overarching goal is to get students both the educational knowledge and the practical skills to be



The overarching goal is to get students both the educational knowledge and the practical skills to be ready for an appropriate job coming right out of the boot camp.



announced an experimental program called Educational Quality through Innovative Partnerships. The program provides a pathway to federal aid for partnerships between colleges and nontraditional providers, including those that run skills boot camps or offer unaccredited online courses.

"The feds are pushing really hard for more accountability and partnering from schools," Veljkov said. "I'll be anxious to see how the Department of Ed's project comes out. If they expand it, I'm going to push Bellevue to be part of that."

Besides Bellevue, several other colleges have opted to provide

ready for an appropriate job coming right out of the boot camp," Walls said. "What's been really exciting is to see interest from employers in the IT industry broadly, meaning companies that are focused on IT services as well as companies that have large IT departments."

In September, Northwestern will launch a boot camp that costs \$9,500 and targets working professionals, said Mary Cohen, associate dean of academic programs at Northwestern's School of Professional Studies. Northwestern will oversee the curriculum and faculty hiring, while Trilogy will provide its signature platform and a full-time

career coach, she said.

"We really wanted an experienced partner who had direct connections in this field and who could help our students make a direct career path from this very short, intensive program into the job market," Cohen said. "From that standpoint, we are starting ahead of the curve by having a partner who already has experience in this area."

Going Solo

Not all institutions feel pressure to find a partner. For at least one university, boot camps are best undertaken as a solo venture.

Northeastern University offers its own boot camp, called Level, in four cities. The program graduated its third group of students in 2016, with 85 graduates in total so far.

Northeastern has a longstanding, popular co-op program, which allows students to alternate semesters of academic study with semesters of full-time employment. By the time they graduate, participants in the co-op program have a year to 18 months of work experience under their belts.

The ethos of the co-op program drove Northeastern to enter the boot camp market, said Philomena

Mantella, the university's senior vice president of enrollment management and student life.

"Northeastern has always been sort of at the juncture of higher education and industry, most symbolically with our signature co-op program," she said. "We acknowledge that there are certain high-demand fields, where our traditional format of instruction is not the only way to create the skills and competencies that can meet today and tomorrow's industry needs. The boot camp format is focused on a high-demand area."

True to its name, Level boasts different tiers of programs. Students can currently choose from an introductory program called Level Set, an intermediate program called Level Core and a special program called Level Focus tailored to the domain of marketing and analytics.

Students in hybrid sessions of Level Set and Level Core complete lessons online at their own pace, meeting periodically in person. Level Set costs \$4,995, while the other two programs cash in at \$7,995.

Level is distinguished by its emphasis on experiential learning, said Nick Ducoff, vice president for new

ventures. All students work with an employer partner on a capstone project, applying data skills to real-world cases, he said.

For example, one student in the Boston program recently worked with a Latin American start-up that offers designer handbag rentals, Ducoff said. The student analyzed data and conducted a survey to determine which handbags were typically rented and for how long, he said.

Many students already hold an advanced degree and are looking to grow their tech skills. According to a survey taken upon entrance to the program, approximately 30 percent of students have a master's degree or a Ph.D., Ducoff said.

Graduates of the program have had success with securing employment. According to a survey taken six months after graduation, 100 percent of students from the first cohort are now working, Ducoff said.

Many have secured jobs in their field -- graduates are working as a commodity analyst at Raytheon, with a defense contractor and as an ecommerce web analyst at the women's apparel company J. Jill. ■

<https://www.insidehighered.com/news/2016/08/10/traditional-colleges-enter-coding-boot-camp-market>

Baby Steps

BY RICK SELTZER

Washington & Jefferson dips its toe into graduate programs, but leaders of the traditionally undergraduate college admit it's a balancing act, and are moving more modestly than other colleges trying to diversify their offerings.

Washington & Jefferson College leaders want to make sure a new foray into graduate education doesn't cause an identity crisis.

The small, 1,400-student liberal arts college about 45 minutes southwest of Pittsburgh announced in January 2016 it was starting new graduate programs in applied health care economics, professional writing, professional accounting and thanatology -- the study of death, dying and bereavement. The move represents the institution's first foray since 1984 into master's degrees, and it only came after years of discussion about how to best meet a changing higher education market.

In the summer of 2016, Washington & Jefferson held some of its first new graduate classes. But it is also still planning the launch of several of the programs announced in January 2016. And it will remain open to tweaks and changes if, say, students prove more interested in certificate programs.



The college's leaders are clear: they want to keep the graduate programs small, and they do not want them to infringe on Washington & Jefferson's traditional focus on residential undergraduate education. In short, Washington & Jefferson is taking things slowly and trying not to overextend its resources as it finds its way forward in a still-changing market.

The cautious pace contrasts with some liberal arts colleges that have pushed into graduate and profes-

sional education with online-heavy offerings after seeing a tightening residential undergraduate market. Even so, a college like Washington & Jefferson, with a strong academic reputation but financial assets that won't be confused with the largest endowments in the country, has reason to watch the broader market and try changes. It's a strategy experts see more colleges and universities following as degree growth tilts more toward master's degrees and student populations become

older and more diverse.

"We feel this is an important time for small colleges to expand their curriculum," said Tori Haring-Smith, Washington & Jefferson's president. "It not only helps our visibility to have these graduate programs -- and obviously our reputation -- but it provides an opportunity for us to build upon our strengths."

The four graduate programs being started each come from Washington & Jefferson's traditional expertise, Haring-Smith said. She traced the roots of their creation all the way back to 2010, when leaders considered a number of different ways for the college to position itself for the future. Options considered ranged from creating a law school to starting a nursing program.

New graduate programs could be useful for Washington & Jefferson undergraduates who might be interested in additional education after they finish their bachelor's degrees, college leaders said. They could also be attractive to alumni and other professionals.

And they have the benefit of being low-risk start-ups. You can't start a law school with six students and no major administrative additions. But you can create small graduate programs if you have strong faculty members and support staff already on campus.

For instance, additional costs to start the applied health care economics program run in the tens of thousands of dollars per year, not counting some institutional costs like information technology staff time, Haring-Smith said. The programs won't be major revenue centers -- they won't be large enough. Still, plans call for them to be breaking even in two to three years.

Professional writing started with about three students over the summer, although it's expected to grow. Applied health care economics will

retire in the summer of 2017 after leading the college since 2005. Faculty members should not be turning away from undergraduates to focus on their graduate classes, she said.

"I say students and undergraduates at Washington & Jefferson should not know on a daily basis that we have graduate programs," Haring-Smith said. "They should know intellectually it's there, it's an opportunity for them, but they should not be bumping against it day in and day out."

Yet she also acknowledged that some may be worried the institution is straying from its traditional mission.

"On campus, there are individuals who worry about mission creep, no doubt

about it," Haring-Smith said. "That's an important voice, and it's an important question for us to keep asking."

The question is heavy on the mind of one of the faculty members tasked with getting a graduate program off the ground. Kathleen McEvoy is an associate English professor and director of Washington & Jefferson's graduate program in professional writing.

She believes the graduate program can enhance the experience for undergraduates. Starting the graduate writing program this summer allowed McEvoy to reach out to professionals she wants to teach

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likely start with half a dozen this fall. Accounting, which specifically includes preparation for the certified public accountant examination, will probably start with a dozen next summer, although some at the college think cohorts could grow to be two or nearly three times that size. Thanatology, which is listed as a certificate program and is designed for professionals in funeral homes, hospitals and counseling, as well as other individuals, will likely enroll cohorts of about seven and has already posted scheduled sessions.

A key goal is keeping the undergraduate experience from changing, said Haring-Smith, who plans to

as adjunct professors, she said. Those professionals may not come just to teach one undergraduate class, but they might be interested in the prospect of teaching both an undergraduate course and a graduate course.

"We're outside of Pittsburgh, and a lot of the people we're looking at for these adjunct positions live in Pittsburgh," McEvoy said. "To convince them to drive 45 minutes to an hour to teach one class, it can be a hard sell."

Faculty members can also benefit from new experiences, said Samuel Fee, a professor who chairs the college's computing and information studies department and taught a graduate class in web design and development this summer. The class, which is part of the graduate professional writing program curriculum, was designed to teach students to write content for online audiences, to code and to design websites.

It's gone well, with students seeming motivated and interested, Fee said in an email, which let him lead deeper classroom discussions. He took student feedback into account from the very start of the course.

"I took a little time at the beginning



of the course to learn what students were interested in knowing and then modified the class a bit from my original planning to suit," he said.

McEvoy hopes her program can have 15 students within a year. She projects awarding the first master's degree in December 2017, because students are juggling class and working full time.

Washington & Jefferson trying to strike the delicate balance of marketing new graduate programs while still keeping its bread-and-butter undergraduates at the center of operations is a challenge, McEvoy said.

"The big difficulty is that Washington & Jefferson has a very specific reputation in the region," McEvoy said. "It's a good reputation, but it's the reputation of an undergraduate institution. It's been three decades since we offered master's degrees, and from my understanding, a lot of people weren't aware that we offered master's degrees back then."

Institutions will naturally face

questions of identity when starting new programs, said Carla Hickman, managing director of research with the education research firm EAB. It is important to acknowledge them, she said.

"If you are going to pursue

graduates for the first time, if you are going to pursue, really, a new kind of credential that you have not historically done, that comes down to, I think, a question of scale," Hickman said. "It just needs to be a conversation about who we are."

The trend is for colleges and universities to think about new student audiences or accessing new markets, Hickman said. Institutions are thinking about both their own strengths and the surrounding market.

"What we have seen is a growing number of institutions who are also looking at things like labor market analytics," Hickman said. "Do we have a good sense of how industries are shifting and changing and what specific skills the professionals in this area might benefit from?"

Washington & Jefferson's plans seem to fit with another data point -- projected growth in master's degrees.

The total number of master's

degrees awarded is expected to jump 37 percent between 2011-12 and 2023-24, according to National Center for Education Statistics projections. That compares to a 15 percent projected increase for bachelor's degrees.

Washington & Jefferson is aware of expected demographic changes, said Robert Gould, vice president for enrollment.

"Being an undergraduate institution of about 1,400 students, we're well aware of the demographic shift," he said. "So we're thinking about this as smart from a portfolio perspective, maintaining market share."

The option of earning both a bachelor's degree and a master's degree in five years could be of great value to students, Gould said. He also sees potential for the graduate pro-

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grams to attract community college transfers interested in eventually earning master's degrees.

At the end of the day, though, the goal isn't to grow the graduate program too much, Gould said. The aim is small, targeted programs, according to Judy Kirkpatrick, Washington & Jefferson's vice president of academic affairs.

"We don't need one more vanilla M.B.A. [in the market]," Kirkpatrick said. "We're talking coming from the liberal arts arena to really look at niche programs."

The programs don't necessarily need to generate a high number of master's degrees to be successful,

Kirkpatrick said. Students can also find professional certificates to be valuable, she said.

Washington & Jefferson's strategy isn't typical, but it isn't un-

heard of, either, said Ron Mahurin, vice president for strategy and planning at the higher education marketing and research firm Stamats. He expects to see similar moves at many institutions.

"Places like Washington & Jefferson, the sort of small- to midsized liberal arts colleges, they're not adding these because they want to build out some sort of publishing and research portfolio for their faculty," Mahurin said. "We are seeing more and more of this. 'How do we leverage faculty expertise and build out some new academic programs in spaces where we believe there may be market opportunities?'" ■

<https://www.insidehighered.com/news/2016/08/19/washington-jefferson-balances-new-programs-old-emphasis>

Vermont's Merger Map

BY RICK SELTZER

Experts praise a proposed arrangement -- which system officials avoid calling the "M-word" -- but faculty members on the affected campuses worry about local identity.

The Vermont State Colleges' move to fold two of the state's northern colleges into one institution reflects increasing interest in mergers throughout higher education, particularly as many state systems continue to struggle with budget crunches and declines in enrollment.

It also shines a light on the difficult issues raised by combining institutions. Faculty members at the affected institutions worry about their campuses' identities. Administrators must walk a difficult line between using mergers to drive cost savings and repositioning colleges to recruit students in the future. They also must find ways to persuade faculty members to buy in and win support from communities and politicians -- or risk having the plans derailed.

The Vermont State Colleges Board of Trustees decided in July 2016 to consider a combined administration for Johnson State College and Lyndon State College, two small institutions separated by roughly 43 miles of state highway. Chancellor Jeb Spaulding now has



Johnson State College

slightly more than two months to meet with campus stakeholders, ready a report and present a transition plan. Trustees expect to vote on a resolution to combine the colleges in a September 2016 meeting. If the vote succeeds, the colleges would move toward operating as a combined institution starting in July 2017.

Spaulding has billed the proposed move as offering the best of both worlds -- a change that would keep the colleges' separate campuses and identities while giving them the cost savings of a single administra-

tion, the efficiencies coming with greater economies of scale and the resources students have available at a larger institution. But he also acknowledged any talk of combining colleges brings challenges.

"There certainly will be people that want to ensure that we're doing this for the right reasons and that we're not going to trample on the identity of the campuses," Spaulding said. "There is a local feel, a strong sense of community, in that part of the state. It's something we're going to have to make sure we take into account."

Seeking a Competitive Advantage

Recent history shows huge variations in results when public institutions pursue consolidations, whether those consolidations are closing campuses or combining presidencies. The University System of Georgia is widely seen as far ahead in aggressively and successfully consolidating. It has merged several of its campuses, most recently combining Georgia State University and Georgia Perimeter College in January 2016. The move gave it a record of consolidating 12 of its institutions into six under a campus consolidation push dating to 2011. The system now has 29 institutions.

But the University of Maine System struggled with the idea of closing campuses, moving instead to centralize many operations in 2015. And some efforts to unite president positions at the State University of New York several years ago met stiff resistance -- a state legislator took credit in 2011 when SUNY administrators killed plans to combine the presidencies at Canton and Potsdam campuses.

The New York system followed through with plans to install the president at SUNY Delhi, Candace Vancko, as head of SUNY Cobleskill. But it reverted back to separate presidents in 2013. It also had the head of SUNY Institute of Technolo-

gy, Bjong Wolf Yeigh, lead Morrisville State College for a short time but ultimately moved back to separate presidencies at those institutions.



In Vermont, Spaulding has avoided calling the proposed consolidation between Johnson State and Lyndon State a merger. He's instead labeling it a unification that would have the campuses keep the Johnson and Lyndon names. Current Johnson State President Elaine Collins would become president of the combined institution. The unified institution would have a new overall name, which has yet to be determined.

Also yet to be determined is where the president's office would be located, according to Spaulding. The president only regularly appearing on one campus would not be acceptable, he said.

In some ways, the timing would seem to be right to pursue a merged administration. Lyndon State's president, Joe Bertolino, is leaving to become president of Southern Connecticut State University in August.

Convenience is not the primary driver, however. The Vermont State Colleges need to make changes with the bottom line in mind, Spaulding said. The system has for more than a decade been trying to grow connections between campuses to cut redundancies and administrative expenses, he said.

"We are small and tuition dependent," Spaulding said. "We're trying to make sure we're not asleep at the switch."

Enrollment has slipped at both Johnson State and Lyndon State in recent years. Head count fell 18.6 percent at Johnson State between the fall of 2011 and the fall of 2015, from 1,859 to 1,514, although administrators expect enrollment to rise this fall. Head count at Lyndon State fell almost 11 percent over those five years, from 1,422 to 1,266. At the same time, the Western Interstate Commission for Higher Education has estimated Vermont high school graduation peaked in 2007-8 and will fall by nearly 2,500 per year, 27 percent, through 2022-23. And Vermont has traditionally struggled to keep students in state.

At the same time, the Vermont State Colleges have experienced financial struggles. The five-institution system posted a net operating loss of \$60.7 million in 2014 and \$56.7 million in 2015. The budget

line comes before some major revenue sources like state appropriations and federal grants. But even factoring in all other revenues and expenses, the system's net position dropped by \$9.4 million in 2014 and \$10.3 million in 2015.

Johnson State and Lyndon State both have put budget cuts and tuition increases in place, according to Spaulding. Yet they're expected to run deficits in 2016-17.

"Lyndon is going through an exercise right now that has nothing to do with the unification -- to trim down its budget by \$1 million next year to try to make sure it is operating in the black," Spaulding said.

Among the other drivers pushing the Vermont system to change was demographics. The number of high school seniors graduating in the Northeast is expected to fall, cutting the available pool of students to be recruited. Analysts have also predicted state appropriations across the country will not keep pace with rising institutional expenses.

Vermont's governor and lieutenant governor are supportive of the unification idea, Spaulding said. The state system has also been making its case to legislators.

Efforts behind the consolidation date to January, when a long-range planning committee asked Spaulding to look at alliances between two sets of two institutions in the Vermont system: Johnson State and

Lyndon State, as well as Vermont Technical College and the Community College of Vermont. He talked with system leaders in other states who had tried different merger models within their own systems, including Georgia, Maine, Minnesota, New Hampshire and New York. Ultimately he decided to move forward with the administration plan for Johnson State and Lyndon State after determining the community college and technical college operate on models that are too different to justify any consolidation at this time.

Consolidating the colleges' ad-

liberal arts college and has heavily emphasized its recent membership in the Council of Public Liberal Arts Colleges. While Lyndon State is also a liberal arts college, it also emphasizes professional studies.

Faculty members have been concerned about that issue. Jay Shafer is an associate professor in atmospheric sciences at Lyndon State. The unification proposal was not a surprise, but it does bring some uncertainty, he said. The fact that the president from liberal arts-leaning Johnson State is slated to lead both campuses contributes to questions.

Still, Shafer believes the college's future strategy needed to be examined.

"The thing is, we're just cutting, cutting, cutting, and it seems that we're in this place of austerity," Schafer

said. "It's clear that something more dramatic needs to happen at many levels."

Johnson State's president, Collins, acknowledged that helping faculty members and employees through the ambiguity and change will be important.

"We're going to need to be able to communicate a clear vision of the future," she said. "It's going to be important to be really inclusive in terms of the decision making."

The biggest concern heard from Johnson State faculty members is how the change will affect their programs, Collins said. That's also a concern at Lyndon State, accord-

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Lyndon is going through an exercise right now that has nothing to do with the unification -- to trim down its budget by \$1 million next year to try to make sure it is operating in the black.

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ministrations aims to create a larger, stronger institution that's better able to recruit while giving students access to a wider curriculum and more faculty, Spaulding said. The benefits go beyond the balance sheet.

"What we're looking at here is, yes, we will save money," Spaulding said. "But we're also looking for ways to strengthen our recruiting ability by telling students that you can get the best of both."

Plans call for each campus to keep their own sports teams and mascots. But concerns over campus identity run deeper than athletics. Johnson State is known as a

ing to Nolan Atkins, interim academic dean at the college. Atkins will become Lyndon State's interim president when Bertolino leaves for Southern Connecticut State later in 2016.

Sorting out the academic details will take a great deal of work, Atkins said.

"We're different enough where we have programs that are unique to both campuses, and we have programs on both campuses," he said. "Some of them are well enrolled, some of them are lower enrolled. So the conversations by program are going to be very different."

Still, staff members likely have more apprehension about the future, Atkins said. They could be worried about staff jobs being cut during the merging process as a way to save money.

At least some staff members are expressing hope, however. Tight budgets have meant lean staffing in recent years, said Sandra Noyes, a staff assistant for the Humanities and Writing and Literature Departments at Johnson State, who is the Vermont State Colleges unit chair and Johnson State College campus chair for the Vermont State Employees' Association. The union does not have a position on the consolidation plans because they are so new, Noyes said. But she hopes the changes could alleviate staffing crunches.

"With the low funding from the state, we have really had to double

up on jobs or take extra duties," she said. "They haven't filled positions. It's going to relieve a lot of burdens of this extra work."

Funding and campus identity were also on the mind of Julie Theoret, a professor who chairs the Johnson State chapter of the Vermont State Colleges Faculty Federation and is the VSC Faculty Federation treasurer. Johnson State has been attempting to reduce costs and raise revenue, she said in an email. But that has led to layoffs in recent years, which she does not want to repeat.

"This latest idea, as I understand it, has the ultimate goal to decrease overall costs while actually increasing services and opportunities for our students," Theoret wrote. "At this point in time, I am not 100 percent convinced that a unification can be done, but I am willing to listen and be a part of the conversation. Any plan that gets put forward must demonstrate the benefits to both Johnson and Lyndon students and make both colleges, as well as the entire VSC system, stronger."

The Vermont State Colleges are in a situation that is ripe for some type of consolidation or merger between Johnson and Lyndon, said Rick Beyer, a former president of Wheeling Jesuit University who is the managing principal of AGB Institutional Strategies, a consulting firm that works with colleges and universities on new business models including affiliations and mergers.

Beyer has worked for Vermont State Colleges. He sees programming at the two institutions as complementary.

More broadly, the climate is ripe for more mergers and consolidations in higher education, Beyer said.

"I think this trend will continue," he said. "I think that there will be more -- a lot more collaboration, a lot more mergers -- that will be taking place both within public and private systems."

Larry Ladd, the national director for Grant Thornton's higher education practice, agreed. State institutions are more likely to follow through on plans to consolidate, he said.

Even though legislators may instinctively protect campuses in their districts, state institutions still have to be publicly accountable for how they spend money.

A question is whether leaders can successfully make the case that a consolidation is in the best interest of the institutions, state and students.

"That's the challenge for presidents and administrations, to paint the picture of what the future should be," Ladd said. "You save money on administration. Hopefully you are reallocating that money to academic programs, or you're preventing cutting academic programs. Nothing makes a better case to the state Legislature than showing you are handling their money responsibly." ■

<https://www.insidehighered.com/news/2016/07/27/vermont-pushes-combine-public-colleges-administrations>

Available City Seeks College

BY RICK SELTZER

Red Wing, Minn., hopes to attract a four-year institution but faces stiff competition from larger, sunnier cities and a history littered with failed branch campus attractions across the country.

Red Wing, Minn., is selling itself as the ideal college town.

It's a small but growing city fitting snugly against the scenic banks of the Mississippi River on Minnesota's eastern border. It's a historic river town with lightning-fast Internet service. It lies within easy driving distance of its state's largest cities, tapping into an economic corridor projected to grow on the backs of Fortune 500 companies, technology jobs and health care behemoth the Mayo Clinic.

The only problem is, Red Wing doesn't have a traditional four-year residential college.

Local business, foundation and government leaders are trying to change that. They've formed a group to entice a college or university to set up a Red Wing satellite campus in coming years, thinking such a branch could eventually grow to as many as 2,000 students. The idea is to base a curriculum on the liberal arts but focus on fields regional businesses say they need -- information technology, digital fo-



Red Wing, Minn., is attempting to attract a four-year college.

rensis, cybersecurity. The partner college would gain students and a foothold in a new market, while Red Wing would add a key economic growth engine.

Unfortunately, it's not so simple. For all of its selling points, Red Wing does not fit the typical profile of a city trying to attract a new college branch -- it's not large enough, it's not on the West Coast and it's in a cold climate.

Worse for Red Wing, even growing areas with more comfortable climates have struggled to secure long-term commitments from established higher education institutions.

Red Wing is, in a sense, sledding uphill. But the city's efforts come at a time of increased interest in branch campuses by universities and municipalities alike. Red Wing leaders also think they have a real

shot at using their city's unique selling points to make a solid business case for coming -- and universities say they're looking to open in locations that can prove the numbers make sense.

The group of leaders fighting for a four-year college formed the Red Wing Area Higher Education Partnership. The partnership mailed project proposals to about 75 colleges across the country in early May. It hopes to hear back this summer or fall from a small group of institutions expressing interest. Afterward, the plan is to narrow the group, negotiate details and have a first class in town as soon as 2018.

Leaders acknowledge it's an ambitious timeline requiring many things to go right. The efforts could end up as a failure, a huge loss of time, money and reputation for everyone involved. Yet they also have high hopes.

"It was a risk," said Scott Jones, president of the Jones Family Foundation and a key leader in the Red Wing partnership. "But it was a risk worth taking."

Jones was a third-generation owner of Signal Bank, a local institution that was acquired by Associated Bank in 2002. Today, as the president of the Jones Family Foundation, he focuses on philanthropy in the Red Wing area.

Leaders arrived at the idea of attracting a new four-year residen-

tial campus to Red Wing after interviewing community members, nonprofit heads and businesses. The Jones Family Foundation also performed research finding that four-year residential colleges boost cities' economies. And it heard that the region's businesses were having a difficult time finding skilled and trained workers.

"We've got 17 Fortune 500 companies within an hour of us, and every one of them we've interviewed has said, 'We can't find the people we need in this area,'" Jones said.

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We've got 17 Fortune 500 companies within an hour of us, and every one of them we've interviewed has said, 'We can't find the people we need in this area.'

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The partnership is approaching colleges and universities already in Minnesota that might be able to fill its vision. Still, it wanted to do a national search, which Jones said would give it the best opportunity to find the right institution. The partnership will consider institutions with 20,000 students at their main campuses and those with a tenth as many students, he said.

No location has been set aside as a prospective campus site, but work has been done to study potential locations, Jones said. The partnership favors an institution locating in Red Wing's downtown core, and there are spots along the Mississippi River that could be attractive,

Jones said.

Financial details for bringing in a new campus are very much up in the air, depending on how much interest Red Wing generates. Jones declined to give an exact dollar figure that could be on the table, only saying "significant" financial resources would be made available through philanthropic interests and the city of Red Wing.

The partnership has heard start-up costs estimated as high as \$20 to \$50 million, said Tom Longlet, a former Signal Bank president who is now treasurer of the Jones Family Foundation. Longlet helped lead the efforts resulting in the Red Wing Area Higher Education Partnership. He's not blind to the challenges it faces.

Downtown Red Wing does not have a giant open field ready for new campus development, Longlet said. The city has been trying to mitigate that drawback by identifying properties that would be ready to retrofit. The partnership doesn't plan to prepare facilities before it has a college signed on, either. It's hoping a university will come to the table with some financial resources for start-up costs.

Jones and Longlet know their efforts are unusual for a city of Red Wing's size -- about 16,500 people.

"I think one of our biggest hurdles is to convince people that a residential campus setting in Red Wing could be to their benefit," Longlet

said. “We’re trying to promote our proximity to the Twin Cities and Rochester.”

Future growth in those two urban hubs -- which each lie about an hour away by car -- is a critical piece of Red Wing’s pitch to colleges. In Rochester, the Mayo Clinic alone employs about 35,000 people. The Mayo Clinic has also announced a 20-year, \$5.6 billion growth plan that will have it constructing a Destination Medical Center under a public-private partnership. A goal is to create 35,000 to 45,000 new jobs.

At the same time, operating in Red Wing should cost colleges less than running campuses in other major cities like Chicago, Longlet said. While that might help Red Wing’s pitch by making it more lucrative, Longlet also hopes it can also translate to lower tuition costs, attracting more students.

The Sacramento Story

Red Wing will have to stand out in many ways if it’s to be successful. Recent history shows college expansion trending toward major cities and the West Coast. It’s also littered with aborted expansions and deals between cities and colleges that didn’t quite materialize.

The Sacramento area has been home to several deals hitting roadblocks. Philadelphia’s Drexel University famously announced intentions in 2008 to offer undergraduate and graduate programs in Sacramento.

But those plans never fully materialized after longtime Drexel President Constantine Papadakis died in 2009. The university decided not to build an undergraduate campus in 2011, then in 2015 said it would phase out undergraduate programs amid efforts to improve academic quality, financial aid offerings and student retention at home. Land that had been set aside for Drexel ended up being pegged instead for



If you look at the demographics of Sacramento, we could stand to do two or three or four institutions relatively easily and still not meet the need.



Britain’s University of Warwick’s first overseas branch.

Another effort to bring a new higher education institution into the Sacramento area hitting bumps is in a planned mixed-use development called Cordova Hills. The development, in Sacramento County, totals 2,265 acres and has been in the planning process for more than a decade. The idea of including a college there started when developers were approached by the Legionaries of Christ, a Catholic group. They wanted the development to include a campus for their new university, the University of Sacramento.

Developers worked to plan a campus with the fledgling university through 2011, when it closed. But a university remained part of the plan, said developer Ron Alvarado, who is

president of Cordova Hills LLC. The land is now committed to a higher education use under a 30-year agreement.

“We have kept a vision of the university site on 224 acres,” Alvarado said. “And we continue to engage with everybody and anybody who is even thinking about expanding in California.”

Jonathan Brown is working with the developer to try to build a campus at Cordova Hills. Brown, a former head of the Association of Independent California Colleges and Universities, now runs a firm called Buffalo Consulting. He wants to find a university as early as

possible, as the developer could break ground as soon as 2018. Initial plans sent to the county were for a campus of about 6,000 students, meaning there’s capacity for a substantial build-out, Brown said.

Backers of Cordova Hills are betting on some nontraditional techniques to help them. The development is dangling the idea of a lease-purchase agreement that could assist universities looking to scale over time. Brown touted a figure of \$22 per square foot for a fully serviced building.

“Some of the college presidents I’ve talked to have said, ‘You need \$200 million, and [then] I may build you a campus,’” Brown said. “It’s a nice way to start a discussion, but it’s not going to be a successful one.”

Brown hopes to team up with an institution that isn't afraid to shake up the traditional college model. He won't rule out a for-profit operation, saying it would have to be the right group. Some for-profits have worked well in other countries, although many have not lived up to their promises in the United States, he said.

The medical field could provide a base for a Cordova Hills campus, Brown said. The Sacramento area has several major health care systems, so developers have held talks about developing a health science campus mixing research, education and start-ups. That could also tap a growing medical device industry in the area.

Flexibility will be important, Brown said. So will finding a university with the right resources.

"If you open this up in a wrong way, what happens is you get a bunch of assistant professors who say they've always wanted to start a college," Brown said. "I haven't seen a whole lot of examples where that's actually worked. I think the trick is to find the right level of either academic or other support."

If the right institution comes in, the Sacramento area can support another college or university, Brown argued. Cordova Hills is near some high-profile public institutions -- California State University at Sacramento and the University of California at Davis. The region also has community colleges. But Brown said that as a growing region, it's still underserved compared to other parts of

the country.

"If you look at the demographics of Sacramento, we could stand to do two or three or four institutions relatively easily and still not meet the need," Brown said. "We're the largest standard [metropolitan area] without a major independent college."

There is precedent for attracting new universities and branch campuses in California. Notre Dame de Namur University decided in 2015 to begin offering graduate and undergraduate classes in the city of Tracy. Among more rural areas, Marymount California opened a branch in Lake County after being asked by the municipality in 2011 to submit a proposal to set up a campus in a county-owned property.

Carlsbad Still Looking

Despite the success stories, it's hard to ignore the instances that led to failures. Colleges ran into challenges finding a foothold in Arizona after a burst of ambition. Back in California, talks last year fell apart between the Rochester Institute of Technology and the city of Carlsbad.

In June RIT signed a letter of agreement to explore coming to Carlsbad, in northern San Diego County. The city helped organize meetings between the university and key business leaders. It connected RIT to area education providers as the university explored the potential of opening a branch campus offering graduate education in a city-owned building totaling nearly 130,000 square feet.

It seemed like a good fit. RIT al-

ready has branch campuses in Croatia, Dubai and Kosovo, along with a presence in China and the Dominican Republic. The university is nearing about 1,700 students in its off-campus branches, about 10 percent of its total enrollment. At the same time, Carlsbad was looking for a university that could focus on information and communications technology, life sciences, and manufacturing while collaborating with local industrial players.

But the discussions dissolved without a deal in place. RIT met with dozens of Carlsbad-area companies in industries spanning aerospace, software, health and electronics, only to determine a sufficient market wasn't there for its education offerings, said Jeremy Haefner, the university's provost.

"There wasn't a good fit for us to build a sufficiently large number of students," Haefner said. "We chose not to go into that part of the West Coast."

The smaller details of a place can be a surprisingly large sticking point between universities and cities. Carlsbad, for instance, has a high commuter population, Haefner said. That can make it hard to get prospective graduate students back from their jobs in time for evening classes.

From an institution's perspective, branch campuses can be alluring for a number of reasons -- they can serve as a new source of enrollments, for one thing, especially for colleges and universities located in areas with declining populations,

which are often looking for ways to boost student numbers through geographic expansion.

New campuses can also give institutions a chance to extend their reach, tapping into new industry networks. That in turn can create new job opportunities for graduates, generate new research possibilities and open new sources of fund-raising.

Different areas can be attractive for different reasons, Haefner said. RIT looks at competition in a region and whether existing educational providers are meeting industry needs. It gauges cost of living and the costs of running a program. And it attempts to ascertain whether it can find local professors if it can't staff all classes with its own faculty.

All of those indicators can look very different, depending on whether you're a city selling yourself or an institution looking to open. The bottom line is that the math has to work on paper before a university will enter an agreement.

"Yes, we enter into them with the expectation that a business plan makes sense for the university," Haefner said. "That would not only cover costs, but would return some of the investment that is required to support the program."

Carlsbad has now moved on to talk to other institutions. The city is aware of a key challenge that helped push RIT away -- the fact

that it's seeking to set up a graduate school in an area not zoned for housing, said Steve Jacobs, a senior adviser at U3 Advisors, a real estate and economic development consulting firm hired by Carlsbad for its university recruitment project. The firm also worked with Cornell on its high-profile winning bid for a campus in New York City.

An unfamiliar name can throw a major wrench in recruitment plans. In the case of RIT, businesses around Carlsbad ended up balking at committing to funding students at an out-of-market name over ones from a university they knew.

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In terms of a U.S. school opening up another branch elsewhere in the U.S., there aren't a lot of precedents.

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"They had complained that UC San Diego wasn't producing enough students for them," Jacobs said. "But at the end of the day, they were comfortable with the familiar."

Carlsbad specifically searched for strong universities in declining markets, Jacobs said. The thinking was that a university would be inclined to get its foot in the door in a growing market. But Alex Feldman, a vice president at U3, said recruitment can move in fits and starts -- it will take multiple years.

Feldman has been working with the city of Chula Vista, south of San Diego, on efforts to develop a uni-

versity on 375 acres of land. Chula Vista has been trying to develop a university on the site for much of 20 years, Feldman said. It was passed over in 1995 for a University of California campus that went to Merced.

Land that's now city owned can support up to 20,000 students if it were fully built out, Feldman said. Right now, Chula Vista is seeking a binational campus -- a Mexican and American university co-locating and offering bilingual education. The idea would be prepare students to work on both sides of the border.

"It's difficult, as you can imagine, to develop a university from the ground up," Feldman said. "What we're proposing is kind of a structure to recruit institutions to that campus. We're developing a new nonprofit advocacy recruitment organization called

Chula Vista University Partnership that would be charged with, essentially, the recruitment effort."

Feldman and Jacobs said the economics of opening a campus shift depending on a market's size and place. Universities can open locations out of the country and subsidize them under the theory that they add prestige. They might even subsidize a domestic branch in a large or growing market under the theory that it will pay off down the road.

The same thing isn't going to happen in a secondary city or market.

"This mission is different," Jacobs said. "In terms of a U.S. school open-

ing up another branch elsewhere in the U.S., there aren't a lot of precedents."

Northeastern University has been investing heavily in new domestic campuses of late. Under the banner of its Northeastern University Global Network, the private Boston-based institution has moved to create graduate operations in Charlotte, N.C.; Seattle; and Silicon Valley in recent years. Toward the end of 2015 it announced plans to open a campus in Toronto.

Before Northeastern started building out its network, it examined 100 metropolitan areas, said Philomena Mantella, senior vice president and CEO of the Northeastern University Global Network, who leads location strategy. Demographics, economic indicators and industry clusters all went under the microscope. So did areas' openness to higher education.

"We are looking where there are gaps that have already been identified," Mantella said. "All of that together kind of gives us an initial view of regions [and gives] us our short list."

Northeastern specifically chose to avoid a residential college model for its branches. It doesn't want to try to duplicate a full campus experience. Northeastern's branches serve as

hubs for online and hybrid students. Charlotte serves more than 900 students. Seattle has more than 500, as does Silicon Valley.

The moves made sense to the financial community. Moody's Investor Service raised the outlook on Northeastern's A2 bond rating in January from stable to positive. The move reflected a stronger market profile and strategy contributing to revenue growth.

"As part of its global outreach, Northeastern has carefully selected leased sites (Seattle, Charlotte, Silicon Valley and Toronto) to offer a small number of targeted master's programs," Moody's wrote. "Management limits execution risk by doing significant due diligence on potential locations and degree offerings for each site and by leasing space to maintain operating flexibility."

Finding the right markets is key, Mantella said.

"We're looking for those gaps in the market and these fast-growing cities," Mantella said. "Not that there couldn't be one on the smaller side."

So pitching universities in a major city is one thing. Trying to land them in a fast-growing but underserved market is another, more difficult thing. Getting them to come to a small municipality in Minnesota

could be an entirely different beast -- especially as experts agree more and more places are trying to attract universities, ramping up competition.

"It's a small cohort of schools that are doing this," said Jacobs of U3. "Cities have certain value propositions in terms of attracting students on a national level, in terms of diverse economies."

The universities coming, they're going to want to know how many students they can get and the value of being there."

Back in Minnesota, Red Wing believes it has a closely tailored, winning pitch. The city has some experience dealing with higher education institutions after putting together a site visit in 2014 when Champlain College, of Burlington, Vt., expressed interest in coming to town.

The college decided against a deal at the time, but the Red Wing city council showed willingness to put their money behind attracting an institution, said Kay Kuhlmann, council administrator for Red Wing.

"We acknowledge it's not something that's going to happen easily," Kuhlmann said. "We need to really present ourselves in the best case possible and make sure we show people the strategic advantage they have in Minnesota." ■

<https://www.insidehighered.com/news/2016/05/20/minn-town-aims-attract-campus-competition-branches-heats>

A Novel Way to Launch an Online Program

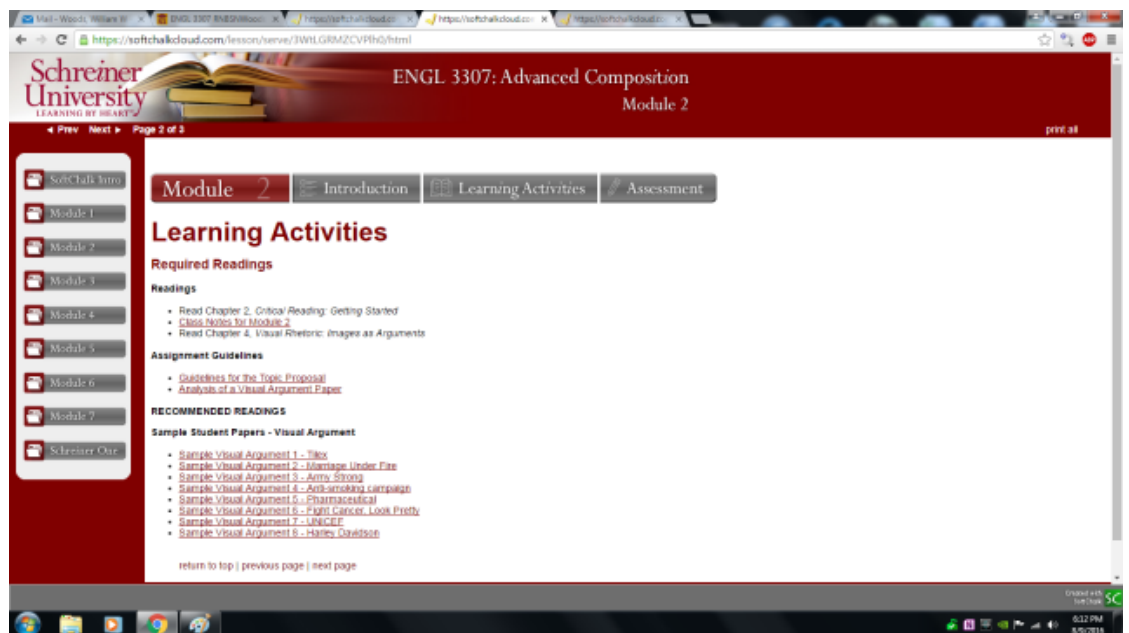
BY MAXINE JOSELOW

While many institutions rely on online program management providers, Schreiner University opts for an alternative way of building an online nursing program.

In 2013, Schreiner University recognized a need for nursing education in south central Texas. Many registered nurses at local hospitals lacked a bachelor's of science in nursing -- a degree that would open the door to higher salaries and greater responsibilities.

Schreiner decided to address this issue by building an online nursing program. There was just one problem: the private university didn't have the internal expertise and start-up capital to create such a program.

Many institutions in Schreiner's situation turn to online program management providers. Commonly known as OPM providers, these companies help institutions take their programs online by providing start-up capital and services such as marketing and a technology platform. In return, they typically take a share of the revenue from the resulting programs (often in the range of 50 percent or more), and lock in the arrangement for as long as a



The learning management system for an English course in the online nursing program

decade.

As interest in online education grows, the OPM market is booming. According to a 2015 survey by the higher education research firm Eduventures, the market is worth an estimated \$1.1 billion.

But Schreiner was hesitant to partner with an OPM provider for two reasons, said Charlie McCormick, Schreiner's provost and soon to be its president. First, the revenue-sharing model meant that the

university could sacrifice a substantial portion of the tuition income, he said. Second and more importantly, the university wanted the online nursing program to reflect its own identity -- not that of an outside company.

"The more I talked to these companies, the more it felt like it wouldn't be a Schreiner program," McCormick said. "Schreiner would really be putting its name on something that somebody else had created

and would be managing. That didn't feel authentic."

'A Very Compelling Model'

While grappling with its concerns about OPMs, Schreiner was paid a visit by Paxton Riter, CEO of the instructional design firm iDesign. Riter told administrators that his company could help Schreiner deliver online offerings. He stressed that rather than a revenue-sharing model, his company used an unbundled fee-for-service model.

"This was a very compelling model for us," McCormick said. The fee-for-service approach meant that Schreiner would be able to keep all of the tuition revenue from the online nursing program. The unbundled approach meant that iDesign would let Schreiner choose its desired services -- such as marketing or retention -- rather than offering all services as a comprehensive package.

But one nagging problem remained: Schreiner didn't have the funds to cover iDesign's services. "We were concerned about how we were going to fund the start-up of this," McCormick said. "We're a small, tuition-driven institution. Identifying, let's say, half a million dollars, would be a challenge for us."

So to come up with the necessary funds, Schreiner turned to a familiar face: an alumnus and trustee named Royce Faulkner. In the past, Faulkner had offered to help finance several university projects, including an assessment of underground utilities. He had also advised the university on a campus construction



Institutions like ours just don't have those sorts of resources to take a risk. But what we discovered is that we have a friend who can take this risk.



project.

Faulkner agreed to loan the university \$500,000 in 2014, said Mark Tuschak, vice president for advancement at Schreiner. "He was willing to step forward because of his understanding of how the nursing program would not only benefit the university, but also health care in the region," Tuschak said. (Faulkner declined to be interviewed for this article.)

The loan effectively allowed Schreiner to form a partnership with iDesign, Tuschak said. And \$500,000 was no small sum for the university, which typically raises \$3 million-\$5 million annually, he said. A donation of this size would be among the top five gifts in any given year, he said.

Faulkner's funds came with a catch: Schreiner would have to make quarterly interest payments at 2.5 percent and fully pay off the loan by July 2017, McCormick said. If Schreiner was able to fully pay off the loan by July 2016, Faulkner would give the university a \$100,000 donation, he said.

Schreiner would likely only be able to pay off the loan if the program produced enough revenue early on. This gave the university an even greater incentive to make smart choices that would lead to a suc-

cessful program.

"It's tremendously scary to think about investing half a million dollars in something like this," McCormick said. "Institutions like ours just don't have those sorts of resources to take a risk. But what we discovered is that we have a friend who can take this risk."

A Fruitful Partnership

With the necessary funds secured, Schreiner went about partnering with iDesign to develop the online nursing program. The initial planning phase lasted around six months, during which Schreiner and iDesign each contributed their own resources.

Schreiner provided its faculty members to teach the courses and design the curriculum, while iDesign handled responsibilities such as marketing and the technological platform.

As part of its marketing efforts, iDesign conducted outreach to local hospitals, Riter said. Representatives from iDesign encouraged local hospitals to tell their employees about the advantages of the new online nursing program, he said. In return, nurses at these hospitals benefited from a preferred tuition rate, paying \$8,540 instead of \$10,540 for the program, he said.

"It was a great value proposition," Riter said. "Schreiner is one of the lowest-cost nursing programs in all of Texas with that preferred tuition rate in place. As online education becomes more mainstream, you're going to have a more cost-conscious audience -- as they should be."

In terms of the technological platform, Schreiner faculty were already accustomed to using a learning management system offered by Jenzabar, Riter said. So iDesign decided to modify this learning management system rather than replacing it altogether, he said.

"We really wanted to do what was best for the university," Riter said. "If you make the faculty transition into a new technology, that is a huge mountain to climb."

William Woods, professor of English and dean of the School of Liberal Arts at Schreiner, said he enjoyed working with iDesign to adapt his advanced composition course for an online audience. (While an English course in a nursing program may strike some as unusual, Schreiner wanted to ensure that the program reflected its emphasis on the liberal arts. So students in the program must complete the same general education requirements as

students in traditional courses at the university.)

"The challenge for us was going from a 16-week-long semester and compressing that content to a seven-week online course," Woods said. "The good thing was that the guys at iDesign were very helpful. They gave us a schedule, let us know deadlines and helped us build our online quizzes. So it was a very natural and friendly collaboration."

An online forum on the learning management system effectively allowed students to share their thoughts on the assigned readings, Wood said. "The forum postings were good because they gave people a chance to comment and interact," he said. "It's so important that students feel like they're not sitting out there on their own -- they actually belong to a group."

Still, the online forum had its challenges, Woods said. "It's easy to teach a class, hand back some essays and leave," he said. "It's harder to be available as often as our students now want us to be in the online environment. You're spending a lot of time monitoring those forum discussions."

Risk and Reward

Schreiner offered a pilot of the

online nursing program -- called the Online RN to BSN Program -- in the summer of 2014, McCormick said. The university offered the first official iteration of the program that fall, attracting 44 students, he said.

By 2015, the program had generated enough revenue for the university to fully pay back the loan and secure the \$100,000 donation, McCormick said. To date, the program has generated nearly \$1.7 million in revenue, marking a nice return on investment, said Bill Muse, vice president for administration and finance at Schreiner, in an email.

More than 180 students have enrolled in the program so far, with 46 students graduating, McCormick said. It usually takes students a year and a half to complete the program, since many of them must balance their work obligations as nurses, he said.

Looking beyond his own university, McCormick said it's imperative that other institutions recognize the alternatives to OPM providers. "When I talk to my colleagues around the country about what we've done, I always encourage them to do that," he said. "Being brave and taking that risk is a good idea for all the Schreiners out there." ■

<https://www.insidehighered.com/news/2016/08/23/schreiner-universitys-novel-approach-funding-online-program>

Funding Edge for Workforce Programs

By ASHLEY A. SMITH

New formula in Washington State incentivizes community and technical college courses linked to industry demands, which may harm liberal arts-related fields of study.

A new state funding formula in Washington State could change the mix of programs offered by many of the state's community colleges in ways that seem likely to benefit workforce-related disciplines over the liberal arts.

In the fall of 2016, the two-year colleges will receive state funding in part based on the types of courses they offer and the industry demands of the region. Those courses that offer workforce training in high-need fields and adult basic education will receive more money or incentive dollars.

"We did not get any more money to do this, so that's why there are going to be winners or losers in our system and that's why it took the presidents a couple of years to agree It wasn't unanimous approval," said Marty Brown, executive director of the Washington State Board for Community and Technical Colleges.



Those losers will more than likely come from programs that don't overtly address the state's workforce needs, such as many disciplines in the liberal arts and the humanities. The programs that benefit will center around the workforce needs of the region. So for instance, an agricultural program in Seattle wouldn't be incentivized, but one in

Walla Walla, with its significant agriculture industry, would be, he said.

"One of the real challenges of the new allocation formula is that if it was new money it would work much better," said Jill Wakefield, the retiring chancellor of Seattle Colleges. "Unfortunately, money is being redistributed among the colleges. You're taking from your neighbor

and moving it around, and we're all in a cut mode."

Wakefield said in Seattle the demand is less for liberal arts as well, but they're also considering centralizing the nursing programs and looking for efficiencies.

The community college system received \$1.37 billion from the Legislature this biennium, or a little over \$650 million a year, Brown said, adding that his office is estimating these changes will only affect about 3 percent of these dollars.

Incentivizing colleges to support those technical programs that address the workforce needs of their communities fits their missions, Brown said.

Nationally there's been a decrease in the number and share of associate degrees going to students in technical and workforce programs, said Robert Townsend, director of the Washington office of the American Academy of Arts & Sciences, in an email.

He points to a March report that

found associate degrees conferred in programs with humanities indicators rose from 338,688 in 2013 to 347,735 in 2014.

Meanwhile, the number of associate degrees in professional fields, which includes technical and workforce programs, decreased from 442,000 in 2012 to 404,040 in 2014.

Brown said the old way of fund-

language learner classes, don't make money for the colleges but are expensive to operate, he said.

"The state board wanted to make sure there was an incentive to do those programs, because they are an important part of our mission," Brown said.

Just what effect the new funding will have on the colleges is still unknown.

The state is now working to identify the high-demand programs for each of the colleges, which vary by region. They'll take into account

where skills gaps are as well as enrollment.

"We will still do a tremendous amount of liberal arts and we still transfer students from those courses, but the incentive will go to those places with more of a demand," Brown said.

"There will be changes in programs, but I don't think it'll happen overnight. But over the long term, we will be doing the better job of addressing the needs of the state." ■

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Colleges with growing enrollments were suffering, and those losing enrollment managed to keep money they weren't supposed to have.

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ing the colleges, which didn't provide program incentives, wasn't responsive to enrollment changes or changes to the economy, like a recession. Systemwide enrollment is down about 1 percent this year.

"Colleges with growing enrollments were suffering, and those losing enrollment managed to keep money they weren't supposed to have," he said.

The adult basic education courses, like remedial courses or English

The New Out-of-State Pricing Pitch

BY RICK SELTZER

U of Maine used tuition-matching campaign to force its way into conversation with other Northeastern flagships. Move boosted freshman commitments, but none of the targeted campuses are admitting to losing applicants.

A brazen University of Maine effort using tuition matching to thrust itself into the conversation with six larger and more widely known Northeastern public universities paid off with a 54 percent increase in out-of-state freshman commitments for the fall of 2016.

But nearby flagship universities that Maine tagged with bull's-eyes say they haven't felt an admissions loss. And Maine hasn't reported a major change in the academic chops of students committing to its campus in the town of Orono. Ultimately, the tuition-matching campaign put Maine on the map for more out-of-state high schoolers -- it just doesn't appear to have siphoned students straight from other states' more selective flagships.

That's not to say the program is without its areas of strength or potential downsides. Like many campaigns to boost out-of-state enrollment at public universities, it's set to bring in a new source of cash --

more higher-paying students -- to a state with a declining population and a university system in a financial crunch. Maine's strategy seeks to do so while standing out for trying to snag students at an in-state price point, rather than far higher out-of-state rates.

Geographically, Maine's program was clearly most successful in drawing students from Massachusetts. Yet while it helped drive a spike in first-year applications, that spike prompted Maine to put in place its first universitywide wait list in recent history.

The results are different from what casual observers might have guessed when Maine debuted the program, called Flagship Match, at the end of November 2015. The outspoken campaign caught attention for flashy billboards promising



University of Maine billboard in Connecticut

lower-than-normal rates to out-of-state students from nearby states. Flagship Match specifically pitched students in Connecticut, Massachusetts, New Hampshire, New Jersey, Pennsylvania and Vermont on the prospect of attending Maine for the same cost of the quoted in-state tuition and fees at their home states' flagship universities.

In other words, Maine offered merit awards for out-of-state students in amounts pegged to rates

at other states' flagships. For example, Maine, with its out-of-state tuition and fees listed at \$28,880 per year for 2015-16, would offer Flagship Match awards worth \$14,709 for Massachusetts seniors who had a high school grade point average of at least 3.0 and SAT scores of at least 1050. That would bring the cost of attending Maine in line with the University of Massachusetts at Amherst's quoted in-state tuition and fees of \$14,171. Prorated awards were also offered for students not meeting criteria for the headline award.

An important point is that even after the flagship discount, out-of-state students will be paying more to attend Maine than those from inside the state because all of the flagship targets charge more than Maine. Maine's in-state tuition and fees totaled \$10,610 in the current academic year. Maine lists the Flagship Match program as renewable for up to four years and said it will adjust award amounts to reflect tuition rates released for 2016-17.

The efforts boosted out-of-state commitments as of May 1, 2016 Maine reported. A total of 1,123 out-of-state students sent in deposits by the date, up 54 percent from 731 a year prior.

Deposits from Massachusetts spiked 81 percent, to 518. Maine increased its commitments from its five other target states as well, but to a much lesser extent. Commitments from Connecticut rose 33 percent to 122, and commitments from New Hampshire jumped 40

percent to 102. Commitments increased 37 percent, to 71, from New Jersey; 22 percent, to 39, from Vermont; and 35 percent, to 31, from Pennsylvania.

Leaders at Maine hadn't completed their analysis of why the increase was higher in Massachusetts than elsewhere. Maine didn't purposefully blitz Massachusetts with more marketing than the other states, said Provost Jeffrey Hecker. But Massachusetts previously sent the most students to the University of Maine, so the spring 2016 deposits were growing on an existing platform.

"I think some of it is proximity," Hecker said. "A lot of people in Massachusetts associate the state of Maine with a vacation. And part of it is it's a bigger population."

At a higher level, the gains prove the tuition-matching strategy and its accompanying marketing worked, Hecker said. Maine paired the Flagship Match program with ramped-up out-of-state recruitment, including outreach to guidance counselors and billboards in Northeastern states. The university formed the strategy after finding through research that more than 97 percent of students who applied to Maine but decided not to attend enrolled out of the state. A quarter of those students were going to other land-grant universities, mostly in New England.

The increase in out-of-state enrollment didn't lead to large-scale changes in Maine's other undergraduate indicators. SAT scores

dipped slightly, with the incoming class's median score down about 10 points in a year, to 1070. Diversity at the university, which has traditionally drawn a relatively low level of minority students, ticked up. Maine's incoming class has 53 percent more African-Americans than its 2015-16 freshman class, 66. It has 49 percent more Hispanic students, 115. Those numbers are for the entire class, not just out-of-state students, but the bump up was driven by out-of-state increases, Hecker said.

However, discount rates were largely unchanged. Even after taking Flagship Match into account, the discount rate for out-of-state students is on track to be about 38 percent, a decrease of less than a percentage point. The discount rate for in-state students jumped by about the same amount.

"We certainly have not been spending more per out-of-state student," Hecker said. "We've been pretty targeted. I think we've got a certain kind of student who's coming here, and the financial aid we're able to offer and their backgrounds make this affordable."

Maine admitted 17 percent more students in 2016 -- 11,590 as of May 1, up from 9,930 the previous year. Most of the increase was from out-of-state students. Non-Maine residents admitted shot up 24 percent to 7,910, from 6,362.

The Flagship Match program called out another New England university known for its out-of-state recruitment: the University of

Vermont, in Burlington. But Maine leadership said their university is not modeling recruiting efforts after Vermont, which has less state support and draws between 70 and 75 percent of its students from beyond its borders. Even with the increase in out-of-state students, Maine's committed freshmen are 54 percent in-state students.

There are other differences between the two flagship universities, said Stacey Kostell, Vermont's vice president for enrollment management. Vermont surveyed admitted students who opted to go to Maine instead of its campus, she said. It found very few, meaning Maine didn't register as a top competitor like some other universities -- the University of Massachusetts at Amherst, the University of Connecticut, the University of New Hampshire and even the University of Colorado. Vermont has built its recruitment strategy around a larger area, including the Northeast, the Mid-Atlantic and other high-growth regions.

Kostell pointed out many students will still have a price incentive to stay in-state, even though the Flagship Match program walks a line between courting out-of-state students on price and still charging those students higher rates than Maine residents pay. Vermont can undercut Maine's promised discount by offering in-state students aid, dropping costs below quoted

prices, she said.

"Some students may pay full tuition, but there's many who may receive some form of aid," she said.

Kostell wasn't the only admissions officer at a flagship targeted by Maine to report no noticeable hit to recruiting efforts. Many said they were aware of Maine's matching program and keeping tabs on it. But they added that they couldn't attribute any lost students to it.

Nathan Fuerst, assistant vice president for enrollment and director of admissions at the University of Connecticut in Storrs, reported

bump from other, smaller public institutions.

"There are four other smaller liberal arts public universities," Fuerst said. "My instinct would be that's perhaps where they are getting their increase."

Nor did the Maine numbers take a bite out of the University of Massachusetts at Amherst's applications. Applications to that state's flagship rose by more than 900 this year, to a new record level of 40,913. The university did not yet have data on deposits, said spokesman Ed Blaguszewski.

"We're confident we will have a strong year and continue to recruit outstanding students here at UMass Amherst," he said.

Farther north in Massachusetts, and

closer to Maine, the University of Massachusetts at Lowell was not admitting to any losses from the tuition matching program, either. The university received 1,518 in-state deposits and 248 out-of-state deposits.

"UMass Lowell has seen increases in both applications and deposits from Massachusetts residents for fall 2016," said spokeswoman Christine Gillette in an email. "In-state deposits are up 8 percent and we are on track to enroll our largest-ever freshman class, which will also have the highest average high school GPA and SAT scores in university history."

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Frankly, we need to import people of a younger age demographic to become the educated workforce in the future.

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receiving 36,000 applications in 2016, with a record number coming from in-state high schools, nearly 13,000. Connecticut had yet to release deposit figures, but Fuerst said it's nearing its largest-ever intake of in-state high school seniors.

"We're capturing a larger share of a shrinking pie," Fuerst said. "I don't think they're stealing students from us."

Students surveyed have never indicated they're deciding between the Connecticut flagship and Maine, Fuerst said. Maine may be picking off a few students from many different colleges, he said. Or it's possible Maine is seeing its out-of-state

Regardless of where the new out-of-state students are being drawn from, Maine's administration is happy to see them coming. Maine's universities face challenges in a state with the oldest median age in the country and a falling high school population, said University of Maine President Susan Hunter. The university saw a chance to stem the bleeding after tracking its out-of-state students and finding that, over the last five years, 22 percent of graduates stayed in the state.

"Frankly, we need to import people of a younger age demographic to become the educated workforce in the future," Hunter said.

Even so, Maine heard some negative feedback from families concerned about in-state students being bumped by out-of-staters. Provost Hecker acknowledged applications jumped more than expected in 2016, from 12,500 to 14,600. The university took some criticism when it instituted its wait

list in March after accepting more than 11,000 students for a class expected at the time to total 2,150.

"We've heard from some guidance counselors and families saying, 'My son or daughter and my student is very strong,'" Hecker said. "The reality is, we offered people a wait list. Less than half the people who were offered it chose to go on. We're reviewing that."

Students on the wait list were being contacted starting May 6, according to Hecker. Maine's flagship expects to admit a small number of students to specific majors with capacity. All wait-listed students meeting admission criteria automatically gained acceptance at five other University of Maine System campuses.

The flagship's administration also pointed to an increase in deposits from in-state students. Maine received 1,324 deposits from in-state students, up 3 percent. That brought the incoming class to 2,447.

The co-chair of the Maine State

Legislature's Joint Standing Committee on Education and Cultural Affairs is backing the Flagship Match efforts. Republican State Senator Brian Langley said Maine graduates 12,000 high school students every year, which isn't enough to keep its universities afloat. The Flagship Match program has captured attention while aiding Maine's finances, he said.

"I think to some degree, the University of Maine is starting to get in the heads of students a little bit," Langley said. "To go out of state and advertise that the University of Maine flagship will accept you at your in-state university tuition, which splits the difference between our out-of-state tuition and our in-state tuition, it's a win-win."

The university's administration plans to continue the Flagship Match program in the future. It will look at possible modifications over the summer that could include raising standards. ■

<https://www.insidehighered.com/news/2016/05/09/university-maine-draws-more-out-state-students-orono-tuition-matching>

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