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Michael Hansen
CEO
Cengage

Introduction

The affordability of higher education is one of the most pressing challenges to college and university leaders and politicians. Meanwhile, students and parents face their own hurdles paying for college.

Understanding the issue is difficult because questions of cost, price and aid play out differently at different kinds of institutions – public and private, two-year and four-year, wealthy and not-so-wealthy. And of course students and families have their own issues.

The articles in this compilation look at issues related to affordability, and to questions beyond money (such as time to graduation) that have a major impact on how much students and families pay. *Inside Higher Ed* will continue to cover these issues, and we welcome your ideas for future coverage.

--The Editors
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When Net Price Setting Pays Off

By Rick Seltzer // June 19, 2017

University of Dayton reports strong results for first class graduating under a financial aid plan keeping students' net tuition stable for four years, but considerable risks mean the idea might not always transfer well.

In 2013, the University of Dayton started a new fixed net-price tuition plan, promising most students that their financial aid packages would rise in lockstep with any increases in tuition sticker prices over four years -- keeping steady the effective price students pay.

This spring, when the first class to enroll under the tuition plan was preparing to walk across the stage, the private Roman Catholic university was happy to broadcast the results of the program.

The four-year graduation rate for the class of 2017 jumped eight percentage points, hitting a record 67 percent. Student borrowing plunged, dropping by more than 22 percent over all. The average four-year graduate borrowed less than $18,000 in student loans -- $5,000 less than previous graduates who hadn't been part of the fixed net-price plan.

Those numbers were unveiled at a time when college prices, student borrowing and retention rates are under intense scrutiny. They raise the question of why more colleges and universities are not crafting their own fixed-tuition plans.

UNIVERSITY OF DAYTON

Of course it's not so simple. A deeper look shows fixed-tuition plans require a delicate balance between up-front costs to freshmen, future costs to upperclassmen and the amount of uncertainty a college or university is willing to shoulder. Several other institutions have tried fixed-tuition plans over the years, crafting programs with varying details and equally varying results. And while the University of Dayton has made real gains in both word of mouth and metrics under its program, its gains have come with equally real financial trade-offs.

The bottom line is that fixed-tuition plans tend to shift some financial risk from students to a college or university. As a result, they're easier to put in place -- and keep in place -- at wealthy private institutions. Smaller colleges with lower endowments and public universities with more reliance on unpredictable state funding can find it harder to create programs or make them effective.

Dayton falls somewhere in the middle. It's not among the wealthiest universities with billion-dollar endowments, but it is not on the poor end of the spectrum, either.

"It has worked well for some," said Jim Hundrieser, associate managing principal for AGB Institutional Strategies. "The privates are having an easier time to be able to do some five-year projected budgets and understand what are some of the implications of doing this."

Those implications start with marketing and continue into financial projections, Hundrieser said. Universities need to be able to effectively communicate about the fixed-tuition plans and their nuances to students.

How Dayton's Plan Works

The Dayton plan uses the mechanism of financial aid to keep students from seeing increases in the price they pay for their education. The university promises full-time students that their financial aid will grow dollar for dollar with tuition for four years -- although it is technically guaranteed for eight semesters in order to cover students who take semesters off or take part in co-ops. The idea is that their net price will be the same when they are seniors as when they were freshmen.

When Dayton started the program, it also eliminated all fees. Accepted students receive financial aid letters mapping out the full cost of tuition and their projected costs for expenses like housing and meals over four years. The idea is that students won't face any surprise bills and can plan out their spending over the course of their studies.

The mechanisms are very different than some other fixed-tuition plans. In contrast to buying down tuition increases, some institutions have put in place plans that charge students different tuition amounts based on the year they enroll. Other programs come with even greater differences -- public institutions in Texas offer first-time undergraduates fixed tuition over four years, but students opting into plans often must start by paying more in their first year than those paying variable tuition.

Dayton's model of buying down tuition to a steady level through financial aid has significant financial implications. Typically, a college or university will post a high freshman tuition discount rate -- the rate at which the tuition sticker price is discounted by institutional financial aid. The rate normally drops as students progress, because scholarships and other institutional aid don't rise in lockstep with tuition.

Under Dayton's model, the opposite is true. The discount rate will be lowest during a student's first year. The discount rate will rise over time as the sticker price of tuition rises but aid keeps pace to maintain a flat net price.

Figures from the university's Common Data Set make that clear. Dayton is gapping full-time freshmen -- not meeting their fully assessed financial need -- at a higher rate under the fixed net-price plan than it was before the program was put in place. In 2012-13, the year before the plan started, 34 percent of first-time, full-time freshmen who were judged to have financial need had that need fully met. The percentage dropped to 31 percent in 2013-14, and fell farther to just under 20 percent in 2016-17. The overall amount of freshman need met has varied but still shows a downward trend, falling from 80.2 percent the year before the program was put in place to 78 percent in 2016-17.

Meeting More Students' Need

At the same time, the percentage of all full-time undergraduate students to have their judged financial need fully met has risen, from 34 percent the year before the plan was put in place to 38 percent in 2016-17. The percentage of overall student need met for all students has gone up, from 77.6 percent the year before the plan was implemented to 83.2 percent in 2016-17.

It is also worth noting that some students at the university do not receive financial aid and would not receive the benefits of the university's fixed net-price plan. About 3 or 4 percent of students fall within that range.

The fixed-tuition strategy means institutions have to think differently about rising costs. Any cost spikes would have to be absorbed by incoming freshmen before their tuition is locked in -- or by college and university resources.

It's easier to deal with in an environment of low inflation than in one of high inflation.

"One of my general assumptions would be in this type of strategy, you are not having a 7, 8, 9 percent tuition increase," Hundrieser said.

Another piece of the puzzle is infrastructure. The University of Dayton plan is likely easier to administer and more flexible than other types of plans because it relies on financial aid to keep net price flat instead of locking in differential tuition for students who enrolled in different years, said Bill Hall, the founder and president of Applied Policy Research Inc., an enrollment and pricing advising firm.

"With many of the tuition guarantees, you end up with this very complex cost-accounting mechanism," Hall said. "You end up with different cohorts with different tuition rates."

That back-end complexity was one problem faced by Northwestern College in Iowa after it put a guaranteed payment program in place before the 2007-08 academic year. But by the 2009-10 academic year, the 1,225-student college had decided not to fix tuition for four years after freshman enrollment dropped.

"We pretty much took our average price increase for the previous 10 years, built that into our model and said to families, 'Hey, here's what it's going to be for four years,'" said Mark Bloemendaal, Northwestern College's dean of enrollment and marketing. "What it did was put us in a less competitive situation with our primary competition."

If many of the college's students came from families with salaried positions, the plan might have been easier to sell, Bloemendaal said. But the college is in a rural area and draws from many families with agricultural backgrounds, where income varies year to year.

The college could make the case that families should be willing to pay a higher price versus its competitors during students' first years in exchange for what would likely be a lower price in the future. But families were not making their calculations beyond the first or second year of college, Bloemendaal said. Many asked what would happen if their sons or daughters did not return after their first year. Then they would have paid a tuition premium without the payback from fixed tuition over time.

Another issue was that the college is a small institution with a small endowment -- $47 million in 2015. It was trying a fixed-tuition plan at a time when higher education inflation was high.

"I think if we had done it for five healthy years and established it, I think the word would have spread," Bloemendaal said. "But then this recession started to hit, and people got really anxious about everything."

Some small institutions believe they can compete with fixed tuition. Kettering University in Michigan started to guarantee fixed undergraduate tuition in 2012-13. It also eliminated academically related fees.

Kettering is not your standard university. The institution is a co-op university focused on science, engineering and business. Its typical student will earn $60,000 to $70,000 over the course of co-op work.

The university's endowment, at about $80 million, is not large, said its president, Robert McMahan. But Kettering is financially healthy. So the question was how the university structured itself to improve access.

"Affordability is not just price," McMahan said. "It's consistency. It's a reasonable exercise for the institution, I think, to bear that risk."

McMahan said retention has improved since Kettering started fixing tuition, particularly among upperclassmen. He felt it was too early to talk about trends in detail but said there are no plans to end fixed tuition.

There is no doubt that fixing tui-

> "Certainly the college-going population, their families and communities, from public policy, politics and all the way down, the cost of college and accessibility to college is an increasingly bigger concern."

tion shifts risk from student to university, said Jason Reinoehl, vice president for strategic enrollment management at the University of Dayton. He also acknowledged that it shifts risk from upperclassmen to freshmen.

For students that risk can be minimized by staying enrolled. For the institution, it can be minimized by retention, low inflation of costs and, to a degree, large scale.

The University of Dayton has several features that give it some protection from temporary fluctuations in tuition revenue. At $473 million as of the end of the 2016 fiscal year, its endowment is considerable. It has a well-known research institute that generates revenue. And it has a high tuition sticker price of $41,750 for the upcoming year.

"I do think there is only a certain segment of institutions who, realistically, from a financial perspective, could take this risk," Reinoehl said. "If we were smaller, I think we'd be more risk averse."

While the fixed net-price plan has shifted the distribution of financial aid, it hasn't prevented the university from spending more on aid. Its aggregate institutional aid directed to undergraduates went from $107 million in 2012-13, the year before the plan was put in place, to $142 million in 2015-16.

Full-time undergraduate enrollment rose by more than 800 during that time, to 8,226, but that wasn't enough to account for all of the increased aid. The first-year tuition discount rate also increased, from 43.8 percent in the year before the plan was put in place to 46.2 percent in 2014-15.

Reinoehl went on to argue that the university packages the fixed net-price tuition plan with some important other aid and innovations that make it attractive to students. The university has some other scholarships designed to cover costs. One provides up to $4,000 over four years for textbooks. Another provides $3,000 to cover flights and travel expenses for students studying abroad.

A Tuition Spike

Most notable is the fact that the university eliminated fees when it started the fixed net-price plan, he said. That caused tuition to spike in 2013 in order to cover revenue that previously would have been raised by fees. But officials argue it made the university's price much easier for students to understand.

"In many cases, the flagship publics have frozen tuition because states are mandating it," said Reinoehl. "They're doing all kinds of things with fees. It's really not transparent at all."

Some experts advised caution against drawing a direct line from the university's fixed net-price tuition plan to its positive outcomes in retention and student debt levels. The university made several changes at once, making it hard to prove causation against the backdrop of a changing higher education market, said Sandy Baum, a senior fellow at the Urban Institute. She also noted that annual student borrowing has been dropping across the country recently. That could have contributed to University of Dayton students graduating with less debt this year than they had in previous years.

There are also worries that fixed-tuition plans appeal to upper-income students more than lower-income students. Families with more resources can afford to pay higher up-front costs in exchange for a return in the long run. Poor families often cannot.

"It's good that people are trying things," Baum said. "But I worry about things being gimmicky, as opposed to really making a difference for the right people."

Initial results indicate the University of Dayton may have been able to slightly increase enrollment of low-income students under the new tuition plan's early years. The year before the plan was put in place, 12 percent of the university's full-time first-time undergraduates received federal Pell Grants, which are considered a proxy for low-income student enrollment. In 2014-15, the most recent year for which federal data is available, enrollment of full-time first-time Pell recipients was 14 percent.

The fact remains, however, that a stable tuition price is an extremely attractive feature for many students. And many colleges and universities are considering it.

"There is not a single client institution, particularly at the board level, that is not asking questions about these kinds of experimental programs," said Kathy Dawley, principal at Hardwick Day, the financial aid consulting division of EAB. "Certainly the college-going population, their families and communities, from public policy, politics and all the way down, the cost of college and accessibility to college is an increasingly bigger concern."

> We pretty much took our average price increase for the previous 10 years, built that into our model and said to families, 'Hey, here's what it's going to be for four years.'

EAB late last year published research showing that students are more likely to drop out of college if they lose even small amounts of financial aid. Students who see their financial aid increase were more likely to complete their degrees, though.

Additionally, private colleges are under pressure to find new ways to compete as tuition-free public college spreads. Fixed-tuition plans are a logical strategy to explore.

"This is not going to go away," Dawley said.

Dayton's fixed net-price tuition plan was in place before its current president, Eric F. Spina, took over in July 2016. But he has voiced support for it.

"Investing in a college education is a substantial commitment for families and for students, often with long-term financial implications," he said in a statement in April. "Higher education has a responsibility to be up front and transparent about what those costs will be." ■

https://www.insidehighered.com/news/2017/06/19/university-daytons-fixed-net-tuition-price-pans-out

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3 Years Cost Less Than 4

By Rick Seltzer // March 9, 2017

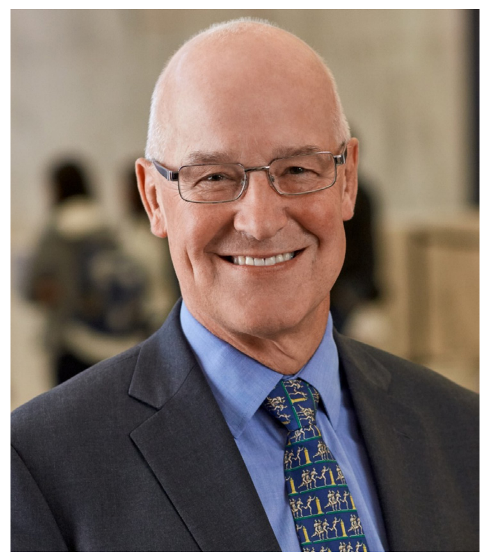
NYU's push to help students graduate in under four years leaves questions about who it helps and how much of a difference it can make at one of the country's most expensive universities.

The idea of a three-year bachelor's degree is nothing new.

But it generally hasn't been promoted at pricey private universities, which tend to attract students with their entire campus experience instead of just the credits being earned. That changed in at least one case in February, when New York University unveiled a new program it calls NYU Accelerate. The program is designed to clear a way for some students to graduate in less than four years from a university that has long been criticized as one of the most expensive institutions in the country that does not meet students' full financial need.

Other institutions have introduced three-year-degree efforts in the past, notably including the private Wesleyan University in 2012 -- eight graduates out of about 730 completed their degrees in three years in 2016, up from two to three students per year in the years before that program was put in place. And enterprising, organized students have always been able to graduate in three years from most colleges, but few try to do so. Still, NYU's move is noteworthy in that it reflects an escalating discussion around student costs, even at institutions that had previously seemed largely immune to blowback from increasing student expenses.

Now the larger question remains: Will the three-year-degree program have any significant impact on affordability at an institution quoting undergraduate cost of attendance at nearly $72,000 per year on paper? Reactions have varied, with administrators praising the accelerate program and other ideas put in place as innovative measures at an institution that is surprisingly constrained by its per-student endowment levels in a staggeringly high-priced New York City market. Meanwhile, experts said the affordability efforts do not amount to systematic changes, and some student critics bashed them as gimmicks.



Andrew Hamilton, NYU President

The accelerate program leans heavily on changes to advising and chances for students to maximize the credits in their class schedules. All undergraduate schools at NYU now have acceleration advisers who are ready to discuss transfer and Advanced Placement credits and courses with students. An academic planning tool will alert students when their academic plans would have them graduating in more than four years. Currently, 81 percent of NYU students graduate in four years or less and 84 percent graduate in six years or less. The various schools are also attempting to increase the number of two-credit courses they offer.

Two-credit courses are important, because NYU's full-time tuition covers 12-18 credits, but many students only take 16. Now the idea is that students can pair 18-credit semesters with some summer classes, January term classes and credits from Advanced Placement or community college classes to earn a bachelor's degree in less than four years.

The idea comes as NYU is also pursuing other options to improve its affordability. Faculty members were asked to review textbook requirements, and 1,000 fewer textbooks were required for courses this spring than in the same semester a year before. Students have started an effort to share their unused dining hall meals, and university officials have lowered the number of meals incoming students are required to buy. The university is making online financial education tools available to students, and it has increased its shuttle service between Brooklyn and Manhattan, which it says saves students money they otherwise would have spent on the subway.

"There is no one silver bullet that can solve the affordability issue for our students," President Andrew Hamilton said in an update on affordability issued last month. University leaders have also pointed out that tuition and fee increases were trimmed for the current academic year, rising by only 2.9 percent for most undergraduate programs. It was the lowest rate of increase in two decades -- tuition and fees have generally increased by 3.5 percent to 4 percent in recent years, including several years of historically low inflation rates.

The moves represent small slices of total student cost of attendance, especially when compared to the university's quoted tuition and fees of more than $49,000 for most undergraduate schools this year. They're still relatively small after factoring in financial aid packages. NYU did not share its discount rate for the current academic year, but its average net price for full-time beginning students was $35,106 for 2014-15, according to federal data on price including tuition and fees, books and supplies, and a weighted average for room and board.

Officials say they aren't sure how many students will take advantage of the new accelerate program. But it should be noted that a large number of NYU students are already graduating early -- roughly 20 percent of undergraduates earn their degrees in less than four years.

So in some ways, the accelerate program is less a sea change than it is a formalization of what students were already doing.

Laying Out a Path

"It seemed that we should at least make it clear to people that if they wanted to do it and they were majoring in a subject for which it was feasible to do it, we would lay out a path," said Ellen Schall, a senior presidential fellow and professor of health policy and management at NYU who chairs the university's Affordability Steering Committee, which is made up of deans, faculty members, students and an administrator. "It's not advice. It's not required. It's not by any means to be imagined that this works for everybody."

Schall listed several other affordability efforts underway at NYU, including a goal of saving $10 million on administrative efficiencies and finding additional savings in its procurement contracts. The moves can all add up to translate to real savings for the university and for students, she said.

She went on to argue that NYU's per-student endowment is much lower than those of many of the university's peers. NYU's endowment totaled just under $3.5 billion as of June 30. That translates to about $70,000 per student. It's also much less per student than elite private universities such as Princeton University, where per-student endowment levels are well over $2.5 million.

As a result, NYU does not have the financial resources to simply cut its quoted tuition by a large figure like 20 percent, Schall said. It decided to look for significant pain points for students and use that conversation to generate additional ideas for increasing affordability. The university is also in the middle of a campaign to raise $1 billion that will go exclusively to scholarships.

It is still noteworthy, however, that NYU's endowment weighs in with the 27th highest total in the country, according to an annual survey from the National Association of College and University Business Officers and the nonprofit asset-management firm Commonfund.

At least some students are skeptical that accelerated graduation is a way to make NYU more affordable for the masses. The editorial board at the *Washington Square News*, NYU's student newspaper, called the proposal about students graduating in less than four years a "gimmicky slap in the face." The accelerate proposal takes a side effect of NYU's affordability problem and attempts to label it as a solution, the board wrote. It continued by arguing that the idea ignores the fact that many students struggle to graduate in four years and that students have to pay additional tuition for summer and January term classes.

"These supposed solutions seem to suggest the working group believes that four years at NYU is a luxury for the richest students, even as most students in the U.S. require more than four years to finish," the editorial said before going on to criticize the Affordability Steering Committee and working group that generated the idea. "The working group is implying that the full college experience is an exclusive luxury for students who can afford the tuition."

But faculty members who are part of the affordability groups said the idea is not to rush students. It's to provide them with an option.

NYU plans to make it easier for students to graduate in less than four years.

"It depends on the student," said Allen Mincer, a professor of physics who chairs NYU's Faculty Senators Council for those with tenure or who are on the tenure track. The Senators Council has not had an official discussion about the latest affordability measures, but Mincer is also on the Affordability Steering Committee.

Mincer would not recommend that students who are not prepared for heavy course loads attempt to graduate in less than four years, he said.

"Are you rushing students?" he said. "I think you have to balance that against those students for whom this would be somehow enabling them to have a decent education here."

Mincer is trying to reflect the emphasis on affordability in his own classroom. He teaches a science course on particle physics and astrophysics for nonscience majors. Its content doesn't line up perfectly with any available textbooks, so in the past he ordered two books for the course. Now, with the talk about reconsidering textbook requirements, he decided to try some pedagogical innovations he'd been considering, such as prerecording lectures before class so that students can listen to them in lieu of textbooks.

Yet Mincer also cautioned that balance is necessary when it comes to affordability. NYU remains a tuition-dependent institution, with tuition and fees generating 55 percent of operating revenue.

"We have to be able to run the place," Mincer said. "As a faculty member, I still want to see myself get paid. There are real costs you can't avoid."

Erica Silverman is an M.P.A. student at NYU who is also on the Affordability Steering Committee. The NYU Accelerate program can be helpful for students who want to enter the work force earlier or those who have trouble affording the cost of living in New York City, she said.

Silverman received her bachelor's degree from NYU in 2014 but had been admitted to an accelerated master's program in her senior year. She started taking graduate courses as an undergraduate in order to lessen the load on her graduate studies. Then she took a year off to work and save money before returning to graduate school. Silverman also watched friends graduate early.

Sitting on the Affordability Steering Committee has helped Silverman understand that broad changes at NYU are going to take time. She hopes the current initiatives are the beginning of a larger movement on behalf of the institution.

"You start to see how complex these big institutions are," she said. "I think it could eventually lead to more and more positive movement."

Experts noted that universities don't have as much flexibility in controlling student costs as many expect them to. Large portions of their expenses are tied up in buildings or faculty compensation. Those costs can't easily be cut -- and a university could risk its reputation if it did decide to suddenly slash them.

At the same time, institutions have come under increasing pressure on issues of student affordability. They have generally responded by increasing sticker prices and discounting tuition heavily for students who cannot otherwise afford to attend.

NYU has been criticized over the years for raising its sticker price, for not meeting the estimated financial need of every student it admits and for overall stinginess in giving financial aid -- NYU offers enough aid to meet full financial need for only 7 percent of undergraduates, according to data gathered by the College Board. It can argue it faces unique circumstances, such as the high prices in Manhattan or a per-student endowment that doesn't keep up with the institutions in the Ivy League to which it likes to compare itself.

Beyond those arguments, it's interesting to see NYU take part in an affordability conversation prominently including the idea of graduating in less than four years, said Ed Venit, a senior director at higher education research company EAB.

"What we see schools saying is they have a lot of different restrictions," Venit said. "They can't really control -- or at least it's going to be an uphill battle to reduce -- the cost of college. But what they can do is reduce the cost for an individual student."

Not Like the Others

Other institutions with low four-year graduation rates have been making efforts to push on-time or early graduation, Venit said. Think of public universities and the "15 to Finish" campaign emphasizing taking at least 15 credits in order to graduate in four years.

As a high-priced private institution, NYU fits a very different profile, however.

"They're doing it for the same reason," Venit said. "They're using the same strategies as schools very dissimilar to them."

NYU has a much higher four-year graduation rate than many other institutions. Its four-year graduation rate was 81 percent for undergraduate students who sought a bachelor's degree and started in the fall of 2009, according to federal data. In contrast, the national four-year graduation rate has been roughly 40 percent in recent years.

It only makes sense to emphasize three- or three-and-a-half-year degrees at institutions that already have high four-year graduation rates, said Sandy Baum, a senior fellow at the Urban Institute. There are other reasons it would make sense for the university to look at accelerated degree options, such as the fact that many of its students graduate with high levels of debt -- including its low-income students.

"I suspect more students at NYU would be open to the three-year option than would be at, say, Princeton," Baum said. "Princeton meets [financial] need."

Over all, Baum has mixed feelings about the idea of students graduating in less than four years. It's hard to criticize, because graduating in a timely manner can improve affordability for students, she said. But universities must be careful not to push students to take too many classes. And it's not clear how much more popular NYU's program will make graduating in less than four years.

NYU may be a different type of institution emphasizing graduating in less than four years, but the idea itself is not new, Baum reiterated.

"People have been talking about three-year degrees for such a long time," she said. "Twenty years ago people were having this conversation."

NYU officials argue that the university's average debt upon graduation has been going down over the past five years, falling by about 25 percent to just over $30,000. The university has tripled its financial aid budget to more than $300 million per year over the decade from 2005 to 2015. It has also more than tripled the average grant given to incoming freshmen, from $8,900 to more than $30,000.

Further, NYU has a high number of Pell-eligible students, about 5,500. That's more than Harvard, Yale, Princeton and Columbia combined, they say, adding that the average institutional grant to Pell-eligible students was more than $39,000 last year. The average NYU grant to Pell-eligible students has jumped from covering 55 percent of tuition and fees to covering 82 percent in the last five years, according to university officials.

> "People have been talking about three-year degrees for such a long time. Twenty years ago people were having this conversation."

Of course, costs for tuition and fees and room and board have also been rising.

All the chatter about affordability has not hurt NYU's application volume. The number of students applying for first-year admission in the class of 2021 rose 6 percent year over year to more than 67,000 students, the university announced in January.

It's a complex picture, said Fred Carl, an associate arts professor who is the chairman of NYU's Contract Faculty Senators Council. Affordability and student debt have been much talked about on campus, and the affordability committee and Affordability Steering Committee and working group have been soliciting ideas widely.

"Saying, 'Cut tuition and nothing else matters,' I don't know that I agree with that," Carl said. "I think that you start where you can and you keep moving." ■

https://www.insidehighered.com/news/2017/03/09/questions-linger-about-nyu-affordability-plan

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Archway to a Better Job

By Paul Fain // August 7, 2017

McDonald's brings a flexible approach and free career and college advising to its tuition assistance program, which is aimed in part at keeping employees on the job longer.

McDonald's has joined the large number of companies that pay for employees to attend college, with a relatively new tuition assistance benefit that includes some unusual features.

Begun two years ago, the fast-food giant's Archways to Opportunity program is open to managers and front-line workers, at both McDonald's-owned and franchised restaurants, a total of roughly 800,000 employees. Participants can finish a high school diploma online, learn English, attend college courses and talk with career and education advisers.

The fast-food giant created the benefit as a "way to leverage our size and scale as a force for good," said Lisa Schumacher, director of education strategies for the McDonald's Corporation. "We wanted it to be unique."

Altruism wasn't the only motivator, of course. Like other companies that employ many academically unprepared, relatively low-wage workers, McDonald's faces a serious retention challenge. It's a win-win, the company believes, if the tuition assistance program can help an employee stay on the job for more than just three months -- a key milestone in the fast-food industry.

In addition, unlike the high-profile partnership between Starbucks and Arizona State University and other exclusive arrangements between colleges and employers, McDonald's is agnostic about where its workers go to college.

The company has formed loose partnerships with a broad range of colleges, including Ivy Tech Community College, College for America (an online, competency-based subsidiary of Southern New Hampshire University), Colorado Technical University and DePaul University. These institutions help McDonald's employees with credit recommendations, offer additional tuition discounts and have trained advisers about the program.

Beyond partner colleges, participants can use their McDonald's tuition benefit at any institution that is accredited by a federally recognized agency.

"We wanted people to have choice," said Schumacher.

The company also pays the colleges directly, so employees don't have to front tuition costs. Nonmanager workers can qualify for $700 per year, while managers at participating franchises get $1,050. Swing, department and general managers can receive $5,250.

Based on the $350 average tuition for a community college course, the company said its program means front-line workers can take two free courses a year while managers can take three or more.

But high school comes first. And since about 40 percent of McDonald's crew members either do not have or are currently working toward a high school diploma, the company partnered with Cengage to pay for its employees to attend the educational technology company's Career Online High School.

"We realized that people at our restaurants are at different places in their educational continuum," said Schumacher.

The partnership was formed two years ago as part of the Archways to Opportunity program. So far 175 McDonald's employees have earned their high school diplomas through the Cengage institution. And the company said the high school credential is structured to give its employees a boost toward college or a career.

Graduates from Cengage Career Online High School earn career certificates in one of eight high-growth fields, including child care, education and certified education. The high school program participants also are paired with an academic coach, who helps them develop a career plan.

As a result, McDonald's is helping its employees move into new jobs in different industries, a recognition that they're preparing many people to leave while also identifying candidates for advancement within the company.

> "McDonald's is helping its employees move into new jobs in different industries, a recognition that they're preparing many people to leave while also identifying candidates for advancement within the company."

Schumacher said the company is considering partnerships with work force boards, its suppliers and large employers in other fields, to potentially help them identify "talent pools" among McDonald's workers.

The philosophy behind these moves, she said, is the company's goal of providing "America's best first job."

Advice for Starting Strong

More than half of employers (56 percent) offer some form of undergraduate tuition assistance for workers, according to a 2015 survey from the Society for Human Resource Management. The maximum annual tuition benefit, on average, is $4,591.

"It's a smart thing to do," said Peter Cappelli, a professor of management and director of the Center for Human Resources at the University of Pennsylvania's Wharton School, adding that such programs often are a "good retention device."

For example, he said, Marriott International's tuition reimbursement rate proved "extraordinarily cost-effective" in making a big dent in its employee turnover rate.

Cappelli also said the benefit is targeted by definition. "You only have to pay it for people who want it."

Cappelli said he likes McDonald's flexible approach, particularly about where employees enroll, rather than booking an exclusive partnership. "It's better for students," he said.

The company has faced some criticism over its employee policies in recent years, including over the wages it pays and other job-quality concerns. And at least one expert was wary about McDonald's approach to tuition assistance.

"We're a little hesitant to praise the program," said Liz Ben-Ishai, a senior policy analyst with the Center for Law and Social Policy.

One concern, Ben-Ishai said, is that it's often hard if not impossible for fast-food employees to have work schedules that are predictable and flexible enough for them to attend college classes.

"They have no idea if they're going to have 10 hours one week or 40 hours the next," she said.

As result, Ben-Ishai said, the adjustable pace of competency-based programs like those offered by College for America could be a good fit for fast-food employees.

McDonald's said it included the advising portion of the program to help employees make decisions about college and a career.

The Council for Adult and Experiential Learning offers that service at no cost to McDonald's employees. The company pays the nonprofit CAEL for advising, not referrals.

"There's no benefit for us to advise them in one direction or another," said Lynn Schroeder, CAEL's vice president for client relations.

Schroeder said advisers help potential students identify their educational and work interests, while factoring in life challenges, such as discussing how many hours students can expect to spend on academics. Advisers are fluent in Spanish, the company said.

It's important to help McDonald's employees get off to as smooth a start as possible when they go back to school, said Schumacher, particularly for the large numbers who experienced "educational trauma" in the past.

"A lot of people at our restaurants are first-generation college students and are intimidated by the process and don't know where to start," she said. ■

https://www.insidehighered.com/news/2017/08/07/unusual-approach-tuition-assistance-mcdonalds-employees

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45% of students
chose not to register for a course due to cost[1]

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Sources:
1 http://www.openaccesstextbooks.org/pdf/2012_Florida_Student_Textbook_survey.pdf
2 http://press.vitalsource.com/vitalsource-survey-due-to-high-cost-of-college-students-skip-purchasing-course-materials-grades-suffer-as-a-result

State Funding Cuts Matter

By Rick Seltzer // July 24, 2017

For every $1,000 cut from per-student state and local appropriations, the average student can be expected to pay $257 more per year in tuition and fees -- and the rate is rising.

Have public funding cuts caused colleges and universities to raise tuition?

It's a deceptively simple question. And it's caused two different camps to dig in, look at similar data and yell past each other with very different answers.

On one side, typically inhabited by left-wing thinkers, is the camp that believes tuition has gone up over time because colleges have been starved by state and local funding cuts to higher education. On the other side, right-wing analysts often argue that the long-term decline in state funding -- so-called state disinvestment -- has little to no effect on tuition. Instead, they say, college tuition has gone up for other reasons, like meeting rising labor costs or feeding spending urges.

Various battles have been fought over issues such as whether using different inflationary indexes to adjust data will lead to different conclusions. But there has been surprisingly little work done to try to pin down the exact rate at which public appropriations cuts are passed on to students through higher tuition.

That's changing. New research in the journal *Economics of Education Review* finds the appropriation-cut-to-tuition pass-through rate has averaged 25.7 percent since 1987. In other words, for every $1,000 cut from per-student state and local appropriations, the average student can be expected to pay $257 more per year in tuition and fees.

The research also indicates students are taking on more of the cost of state funding cuts in recent years than they were three decades ago. Before 2000, a student could be expected to pay $103 more in tuition for every $1,000 cut from public funding. After 2000, the figure jumps to $318.

Those findings have the potential to reframe the debate, at least somewhat. They could shift the discussion away from if funding cuts lead to rising tuition to how much they contribute to rising tuition -- and whether such a trade-off is justified.

But for many researchers, the

pass-through rate, which describes what will happen to tuition in the event of a theoretical state funding cut, hasn't been considered a top priority to examine, said the author of the research, Douglas Webber.

"The far right wants you to think that there is a zero percent pass-through rate and any state budget cuts aren't hurting students. The far left wants you to think that the harm to students is absolutely massive and that we should never cut university budgets. And neither of those views are correct."

Webber, who is an associate professor in Temple University's economics department, said researchers have been more interested in broader looks at how students are affected by governments cutting funding for higher education. Colleges and universities can take a number of actions when their state funding is cut. They can increase tuition to make up for the lost revenue. They can cut from their own budgets, trimming things like student services or employees. Or they can turn to fund-raising, endowments and grants to try to raise more money over time.

Against all of those puzzle pieces, the amount students pay in tuition can seem relatively minor -- especially for researchers trying to determine how much funding cuts affect a student's chances of graduating.

Another strike against this type of analysis is that a large number of local factors and other variables can influence how much individual colleges and universities raise tuition. State laws block some colleges from raising tuition without legislative approval, for example. Webber had some questions about whether it made sense to calculate an average pass-through rate. Such a broad metric won't reflect reality in the situations on the ground at many different colleges and universities.

Still, Webber has participated in the debate over state disinvestment. He wrote a piece for *FiveThirtyEight* last year arguing that there is no single cause for rising college tuition. He planned to someday do a more rigorous analysis, but he had to push the work to the back burner as he addressed other priorities.

The state divestment arguments didn't go away. A Cato Institute study in February made the case that state disinvestment was not the sole cause of rising tuition, putting blame on federal student aid it said enables colleges to charge more. Brookings published a piece by Jason Delisle of the American Enterprise Institute saying that limited research on the topic shows state disinvestment is not a major cause of tuition hikes. AEI published a study saying that public institutions' tuition only rises by $5 for every $100 cut from direct state subsidies per student.

That study's modeling was questioned by critics, including Webber. He went about building a new model taking into account adjustments he hadn't seen elsewhere. They included accounting for state laws restricting institutions' ability to increase tuition and the fact that lawmakers may cut appropriations unevenly for different colleges within the same state. He also measured average net tuition and fee revenue instead of institutions' average posted tuition in order to account for strategies colleges might use to raise money after a cut in state appropriations -- strategies like cutting student aid or enrolling more out-of-state students.

Webber used data on institutional finances from the Integrated Postsecondary Education Data System from 1987 through 2014. The data cover 479 four-year public institutions.

"I don't view this paper as a partisan thing," Webber said. "The far right wants you to think that there is a zero percent pass-through rate and any state budget cuts aren't hurting students. The far left wants you to think that the harm to students is absolutely massive and that we should never cut university budgets. And neither of those views are correct."

In addition to the 25.7 percent average pass-through rate for all institutions, Webber calculated the rate for different types of institutions. It was highest for Ph.D.-granting institutions, at 26.6 percent. Master's-granting institutions were close behind at 26.2 percent, followed by bachelor's-granting institutions at 18.3 percent.

Webber also analyzed the historical data he'd gathered. The pass-through rate describes what will happen in the event of a theoretical $1,000 appropriations cut. The historical data give a look at what did happen over the last 30 years.

State and local divestment accounted for 16.1 percent of tuition and fee increases paid by the average student since 1987. Disinvestment accounted for a greater share of tuition and fee increases more recently, though. It is responsible for 29.8 percent of the tuition and fee revenue increase since 2000 and 41.2 percent since 2008.

That's evidence colleges and universities are being pushed closer to their breaking point, Webber said. Institutions can cut from budgets up to a certain point in order to shield students from tuition increases. Eventually they have to start passing more costs on to students.

"The fact that this has been increasing says to me that in the '80s and '90s, there probably was a lot more fat in the budget," Webber said. "And so, when states would divest, it was a lot easier for schools to cut things. Whereas now, the low-hanging fruit is diminishing. We're having to make tougher decisions, and we're having to pass more of these costs on to students because there's not some obvious spending that we can cut."

Not everyone will agree on that point. Policy makers will still wonder why, if appropriations cuts really drive tuition higher, the pass-through rate isn't 100 percent, said Delisle of AEI.

"Maybe the relationship is getting stronger, but I think you're going to be hard-pressed to convince a policy maker that a move from 25 percent to 32 percent is a really big change," he said.

Delisle went on to argue that the relationship shown in the new research is relatively small compared to claims he's seen that state disinvestment causes tuition increases.

"The debate now seems to be, is it 15 percent, is it a 25 percent relationship, is it 30 percent?" he said. "Two months ago, it was just assumed to be one for one."

The fact remains that continuous state disinvestment in public colleges and universities drives tuition increases, according to Thomas Harnisch, director of state relations and policy analysis at the American Association of State Colleges and Universities.

"While campus leaders have long sought efficiencies instead of tuition increases, this study seems to indicate the limits of that approach," he said in an email. "The share of tuition increases that can be traced to state budget cuts has more than doubled since 1987 and remains at its highest level in the post-recession era."

Harnisch called state budget cuts a no-win outcome for students and states. The state cuts diminish institutional quality as well as restricting access to higher education and higher bills for students, he said.

Webber's hope is to move the discussion beyond the two absolutes of state disinvestment hurting students versus state disinvestment not mattering. He wants it to become something an economist would appreciate about the costs and benefits of state funding cuts.

Many states will have to consider cutting higher education spending to address other priorities like health care or pension spending. The hope is that the discussion can be about how much such cuts are likely to be passed on to students and whether it's worth it.

It's akin to a move from partisan talking points to a cost-benefit analysis. Webber has some reason to be optimistic. Feedback so far has been positive from both sides of the argument, he said.

"I'm hoping to move the conversation from shouting past each other to actually thinking more seriously about the magnitude of trade-offs," Webber said. ■

https://www.insidehighered.com/news/2017/07/24/new-study-attempts-show-how-much-state-funding-cuts-push-tuition

Pledging to Graduate on Time

By Paul Fain // May 25, 2016

The State University of New York at Buffalo has made big gains on its graduation rates, thanks in part to a "Finish in 4" pledge that features real commitments by students and the university alike.

A decade ago just 35 percent of students at the State University of New York at Buffalo graduated within four years. That number climbed to 55 percent last year, and the gain was accompanied by a rare narrowing of graduation-rate gaps for minority and low-income student populations.

A key part of the university's broad completion push is a pledge it introduced for students in 2012. And the so-called Finish in 4 program features serious commitments, by both students and the university.

A. Scott Weber, senior vice provost for academic affairs at the University at Buffalo, helped create the pledge. He describes it as a demonstration of "joint responsibilities to make progress to a degree."

The 1,479 incoming students who took the university's pledge in 2012 signed their names on a piece of paper and promised to register for classes on time, follow a structured curricular plan and talk with an academic adviser at least once a semester.

SUNY at Buffalo students during a 2013 campus visit by President Obama

Students also took an assessment designed to help them choose a major and career path as part of the pledge. And they have to be in an approved major by the time they complete 60 credits, which typically is the midpoint to a bachelor's degree.

Half the university's incoming class took the pledge in 2012. This academic year more than three-quarters of new students signed onto an updated digital version. Weber also signs each pledge, as do student advisers.

"We track every one of these students," Weber said. "If they haven't met their goals, they're no longer part of the cohort."

That can come with a cost -- Finish in 4 includes the university's promise that students who meet their obligations but do not graduate in four years may finish their degree at the university without paying any more tuition and fees. While students who wash out of the program still get all the supports, like advising, the tuition guarantee goes away.

> "We track every one of these students.... If they haven't met their goals, they're no longer part of the cohort."

Likewise, the university has tried to make sure students can get into the classes they need to finish on time.

The University at Buffalo is a big place. It enrolls 20,000 undergraduates and 10,000 graduate students. The university, like many of its large public peers, often had overbooked courses, including ones required for completing a major.

"We felt we weren't really meeting some of our obligations," said Weber.

So the university bit the bullet in 2012, creating 300 new course sections -- the equivalent of 10,000 slots for students. And many of those new sections were in high-demand courses.

The university spent $2.1 million on the program in the fall of 2012, officials said. And spending on additional student advising and other supports has raised the annual cost to $2.5 million.

It has paid off for students.

Of the initial group of pledge signers, 930, or 63 percent, have graduated, topping the national on-time rate of 34 percent for public institutions. (The rate is 60 percent for research-intensive universities like Buffalo, according to federal data, meaning the university has closed that gap.) And while the self-selecting pledge group topped their non-pledging peers -- 52.7 percent of whom have graduated, according to preliminary data -- Buffalo's overall four-year rate also is close behind at 55 percent. And the universitywide, six-year graduation rate is a solid 74 percent.

Likewise, the percentage of black students at the university who completed their degrees within six years rose by 20 percentage points in the decade before 2013, earning Buffalo praise in a report by the Education Trust.

One reason Finish in 4 has helped more than just the students who signed on is that its support services are available to all. And the scale of the program has helped it become a widely known priority.

"A lot of this, we were doing before," Weber said. But the influence of the Finish in 4 "brand" has been more powerful on campus than predicted. "This is part of our university's vocabulary."

Changing Status Quo

Paula Lazatin signed the pledge in 2012, when she first enrolled at the university. She was surprised to learn that so many students weren't graduating on time.

"I really wanted to make sure I was one of the ones who finished," Lazatin said.

The national college completion campaign, which President Obama and foundations have led, obviously extends to research universities. But some might share Lazatin's surprise that roughly half of students graduate within four years at universities like Buffalo, which is a member of the prestigious Association of American Universities.

A growing number of research universities want to improve graduation rates. For example, the University Innovation Alliance is a relatively new coalition of 11 research universities around the country that are sharing techniques for getting more students to graduation and for cutting equity gaps.

Likewise, the University of Texas at Austin is spending big to boost its four-year graduation rates, which have long lingered just above 50 percent. So has the University of Minnesota Twin Cities, a flagship like UT Austin, which has increased its rate to 59 percent from 42 percent in a relatively short period of time.

Completion experts praised Buffalo for its decade-long push on graduation rates, which this year will include a university wide early alert system to identify students who are struggling and help to get them back on track. And while Buffalo has gotten slightly more selective in its admissions during the same time period (with a 25-point gain in students' median SAT score), Weber said selectivity hasn't been a primary driver of the graduation-rate gains. He points instead to the systematic approach the university has taken to identify and reduce the barriers students face.

Patrick Methvin, deputy director of postsecondary success at the Bill & Melinda Gates Foundation, praised the university's financial commitment to the effort. "They're putting skin in the game," he said.

Methvin cited other completion programs that funnel money and resources to helping students get to the finish line, including the City University of New York's Accelerated Study in Associate Programs, which featres $4,700 in additional spending per year for each student participant. But he said that level of fiscal commitment is far from the norm.

Many campuses, systems and states are making on-time completion a priority, said Danette Howard, vice president for policy and mobilization at Lumina Foundation. For example, she cited the spread of 15 to Finish programs, which encourage students to take 15 credits per semester. But Howard said relatively few of those efforts include the sort of spending Buffalo has added for student supports.

"They put in place all these wraparound services to ensure that students graduate on time," she said.

Research and Completion

The University at Buffalo had enough advising capacity in place when the program began, Weber said, but the pledge ensured more students were seeing their advisers. Academic departments also created curricular plans for each degree path as part of the completion program.

Some faculty and staff members were wary of the project, Weber acknowledges. He heard worries about a cheapening of degrees amid the grad-rate push. And advisers wondered if they might have to absorb some of the tuition-guarantee costs as well as more work.

But Satish K. Tripathi, the university's provost during the program's creation, was a strong supporter. He made sure it wasn't just a pilot program, Weber said, with an "everybody's in" mentality. Tripathi became the university's president before Finish in 4 began.

Most lingering doubts about the program have been washed away by its success, according to university officials. And it helps, Weber said, that President Obama came to campus in 2013 to unveil his college ratings plan, giving a shout-out during his speech to the university and the progress it has made on graduation rates.

"Not many deans are thinking about their graduation rates at an R1 university," said Weber, but they are at Buffalo.

Weber said the program has become a recruiting tool for both students and parents, who understandably like the university's attention to timely graduation.

The SUNY System is also seeking investment to roll out Finish in 4 at all its 64 campuses.

For her part, Lazatin said the pledge was a goal to lean on during the long, hard days when she was taking 21 credits or more in a semester.

"It got overwhelming sometimes," she said. "But it helped me stay on track." This month Lazatin graduated, on time, with three majors. ■

https://www.insidehighered.com/news/2016/05/25/suny-buffalo-boosts-graduation-rates-finish-4-pledge

A Boom in Promise

By Ashley A. Smith // March 14, 2017

While California considers a plan to cut tuition and lower the cost of going to college, more than 50 local free two-year initiatives are popping up across the state.

Interest in free community college programs has been gradually spreading across the nation. But no other state can match California's boom in Promise programs.

Whether funded by a private company or a city's taxpayers, the state in recent years has seen a dramatic increase in initiatives to eliminate tuition for community college students.

Of the nation's more than 190 tuition-free community college programs, more than 50 exist in California.

The state's size -- and its 113 two-year institutions -- makes it more likely to have a large number of free community college programs. California also boasts some of the lowest tuition rates in the country and is politically aligned with the progressive idea. And some of the state's Democratic lawmakers are rolling out a plan that would seek to nearly eradicate student loans for university students and to increase grants to make the first year of community college tuition-free.

In addition, later this month the California Community Colleges Board of Governors will consider approving $15 million in funds, known as Promise Innovation Grants, for colleges to start or expand Promise partnerships. That funding was made available through legislation passed in Sacramento last year.

"The chancellor's office is committed to building on this effort and further strengthening the statewide framework that allows local partnerships to proliferate and thrive," Paul Feist, vice chancellor for communications and marketing with the two-year system chancellor's office, said in an email. "We recognize that communities are best suited to build partnerships that suit the needs of their students. We are proud that California is a leader in this movement, and we fully expect more and more districts to stand up Promise partnerships in the weeks and months ahead."

As of last August, 23 programs had been launched in the state, with more than 50 programs at various stages of development, according to the nonprofit research organization WestEd, which has been tracking the growth and characteristics of the state's Promise programs since 2015.

"I would not be surprised if there are 60 programs at some stage of development or implementation by the end of 2017," Mary Rauner, a senior research associate at WestEd, said in an email.

On March 8 the San Jose Promise joined the pack. The program this fall will begin guaranteeing free tuition for two years and covering some other college costs for up to 500 graduates of three high school districts.

Statewide Future?

Despite the various free-tuition initiatives, don't rule out the possibility of California creating a statewide program. Democrats in the state's Legislature revealed a proposal Monday that would supplement state aid and eliminate the need for student loans in the California State University and University of California Systems, while also increasing grants to community college students to give them a tuition-free first year.

Advocates of free community college point out that a statewide option is still on the table, but local organizations, colleges and cities are taking the initiative and creating their own Promise programs first. Those same advocates point to the way the Tennessee Promise grew from a local initiative in Knoxville.

"The misperception is often that Tennessee Promise happened overnight, when in fact, it began in 2008 in one county and existed as a nonprofit raising dollars privately for student scholarships," said Krissy DeAlejandro, the executive director of tnAchieves, which is the mentoring and volunteering arm of Tennessee Promise. "I truly believe our journey would have been much more difficult had the home-grown, community-based program not existed."

Last month, during Achieving the Dream's annual conference in California, three Promise programs -- each in a different stage of development -- shared their differences and similarities with other college administrators.

Those differences ranged from how they are funded -- by city taxpayers in San Francisco or an oil company in Richmond -- to the age at which students enter the programs and the supports they receive.

> "The misperception is often that Tennessee Promise happened overnight, when in fact, it began in 2008 in one county and existed as a nonprofit raising dollars privately for student scholarships."

"More College Promise launches have been initiated because starting small with what's doable, getting help from local foundations, business leaders and campus supporters, and incorporating a research base to build the tracking system to help more students succeed are all important components for sustainability," said Martha Kanter, a former under secretary of education under President Obama. Kanter now leads the College Promise Campaign.

There's also the Richmond Promise, which benefits high school students who live in Richmond or North Richmond -- about 10 miles north of Oakland. The program is mostly funded by Chevron.

After one year, the program has awarded 255 scholarships to students attending more than 50 colleges and universities. Most of those students attend Contra Costa College.

Mojdeh Mehdizadeh, Contra Costa's president, said the success of the Richmond initiative on their campus led the institution to apply for one of the Promise Innovation Grants from the chancellor's office.

"The Richmond Promise focused on students who live in Richmond, but Contra Costa serves more than just those students," she said.

"The first year of Promise Innovation Grants will be directed to Richmond Promise scholarships and, learning from that, will extend to all of the cities we serve."

In San Francisco, the city will cover the $5.4 million annual cost to pay for students' $46 per credit tuition at City College of San Francisco and also provide a $250 stipend to low-income students.

"We think of public education as a right," said Susan Lamb, City College's interim chancellor. "Rather than setting up economic barriers, we need to make sure students in K-14 have an opportunity to get an education."

Students don't have to apply for the San Francisco program, but are automatically enrolled and receive the additional stipends through the financial aid process, Lamb said.

"K-12 education -- we take for granted that it's a right in this country, and high school education … it isn't enough," she said.

Despite having among the lowest tuition costs in the nation, a recent report from the Institute for College Access & Success shows that the total cost of college in California, which includes textbooks, transportation, food and housing, can add up for low-income students.

The report found that after subtracting grant aid, the community colleges, which often have the lowest tuition, did not have a lower net price than their neighboring public universities.

For instance, near Berkeley, two-year colleges had the highest net price, at $13,500 per year, compared to the University of California ($12,900) and the California State University ($11,700), according to the report.

But focusing on the free side of Promise programs may be undercutting the real impact of the initiatives, said Debbie Cochrane, vice president of TICAS.

"The most important component is they become a rallying point for a community," she said. "It's about getting community leadership on board and getting different colleges in an area to agree on alignment. Those things make a huge difference for students to get to and throug schools." ■

Martha Kanter

https://www.insidehighered.com/news/2017/03/14/sharp-growth-californias-free-community-college-programs

A Punishment That Doesn't Work

By Ashley A. Smith // July 20, 2017

A new research paper finds that excess credit hour policies don't lead to completion, just more student debt.

For years now states have been adopting various policies that work to push students to complete their degrees.

But one of those policies may be adding to student debt and harming low-income students.

A new policy analysis published by the American Educational Research Association today in the *Educational Evaluation and Policy Analysis* journal finds that state-adopted "excess credit hour" policies show little evidence of promoting completion and do more to increase median student debt.

Excess credit hour policies assess a tuition surcharge for any credits taken beyond a predetermined threshold. For example, Arizona charges a fee of 120 percent of the tuition rate if students cross 145 credits at four-year universities, with the assumption that most programs can be completed with 120 credits. On the other hand, Florida's fee is 200 percent of the tuition rate if students cross 110 percent of their program of study at any of the state's two- and four-year institutions.

The researchers found that four years after states adopted excess credit policies, overall median student debt increased between 5.7 percent and 7.2 percent. And the impact of those policies on student debt was concentrated among low- and middle-income students.

The researchers realized that student debt could be increasing in these states because of an information gap between state policy makers and individual students.

"Students are only exposed to the policy when they're close to the threshold, and at that point, it becomes too hard to make a substantive change to their degree program," said Dennis Kramer, a professor of higher education at the University of Florida and the report's co-author. "These policies also shift the cost burden from the states to the individual students."

A typical bachelor's degree program takes 120 credit hours to achieve, but of the states with excess credit policies the fee thresholds average 145 credits, and students may not learn about the policy until they get to around 130 credit hours, Kramer said.

"We do think there is an opportunity for these policies to become enhanced by robust advising and degree planning," he said.

But states need to find a balance between encouraging students to complete their degrees in a timely manner, while also allowing them the flexibility to explore multiple disciplines and get a liberal education, Kramer said.

"If four-year completion rates were going up and debt was going up, that may not be as bad of an outcome," said Robert Kelchen, a professor of higher education at Seton Hall University and the report's co-author. "But we're not seeing an increase in completion, just debt."

The researchers found marginal evidence that, after excess credit policies began, the six-year graduation rate for Latino students increased between 2.5 percent and 3.4 percent. However, the six-year graduation rate for black students dropped between 3.5 percent and 4.2 percent.

Other states, like Indiana, have also adopted policies to decrease students' time to completion, like the 15 to Finish model -- which pushes students to take at least 15 credits per semester, with the ultimate goal that students complete their bachelor's degrees on time.

But there's a difference between incentive models like 15 to Finish and those described as more punitive, like excess credit policies.

"We are completely opposed to anything that increases costs for students," said Dhanfu Elston, vice president of strategy, guided pathways and purpose first for Complete College America, which promotes 15 to Finish.

"We never want to see an environment where students are penalized or a punitive policy fails to address the issues that lead to excess credits, and that was the spirit behind 15 to Finish."

But as more states move toward performance-funding policies and focusing on metrics and outcomes, they're looking to use incentives as a carrot to get students to a degree.

Kelchen said 15 to Finish can become punitive for students, however, if states set policies where they lose their financial aid if they don't achieve the 15 credits.

"But 15 to Finish doesn't mean students finish closer to 120 credits -- they just have to take 30 credits a year to stay on track," he said.

And students are more aware of how many credits they need to achieve a degree if they're keeping track of them semester to semester, Kramer said, adding that a student in their first or second year of college isn't worried about having excess credits -- that comes when they're close to that barrier.

"We're not advocating for these policies to go away," Kramer said. "We're hoping for opportunities to enhance these policies. Most higher education scholars would agree providing incentives for students to complete their degree in a timely fashion is a good thing." ■

https://www.insidehighered.com/news/2017/07/20/excess-credit-hour-policies-increase-student-debt

Narrowing the Partisan Divide

By Rick Seltzer // August 15, 2017

New survey shows a partisan divide over higher ed aspirations for children -- that narrows when Republicans and Democrats are given more information.

About two-thirds of U.S. adults would want their child to attend a four-year university if they had a child of college-going age, but significant variations exist based on income, educational attainment and partisan affiliation, according to new polling released today.

Support for a child attending a university to earn a four-year degree was substantially higher among Democrats than it was for Republicans, according to a survey being released today by the opinion and research journal *Education Next*. But the gap narrowed if the partisans were given more information, to the point where it disappeared if survey respondents were given information on both the cost of college and the likely lifetime earnings benefits of a four-year degree. That information made Republicans more likely to want a university education for a child than they had been previously -- but it had the opposite effect on Democrats.

The findings come on the heels of an eye-opening survey released by the Pew Research Center in June that showed Republicans' view of higher education has deteriorated significantly in recent years. The new survey would seem to point to significant nuance in partisans' views of higher education, indicating that positions can change based on information available and that broad perceptions do not necessarily translate into personal preferences.

Pollsters working for *Education Next* asked 4,214 adults over the age of 18 a series of questions between May 5 and June 7 of this year. The questions addressed issues ranging from charter schools to immigration policies in addition to higher education.

Where Would You Want to Send Your Child?

Different groups were asked variations on a question about whether they would want their child to attend a university to earn a four-year degree, a community college to earn a two-year degree or neither. The first group was simply asked which option they would want for their oldest child under the age of 18 or if they had a child of college-going age.

Just over two-thirds of all respondents, 67 percent, said they would want their child to attend a university to earn a four-year degree. About a fifth, 22 percent, said they would want their child to attend community college and to go on to earn a two-year degree.

When the findings were broken down by partisan affiliation and leaning, significant differences emerged. Desire for a child to attend a four-year college was substantially lower for Republicans and higher for Democrats. The opposite was true when it came to two-year colleges.

Just 57 percent of Republicans said they would want their child to attend a university for a four-year degree, compared to 75 percent of Democrats. But 31 percent of Republicans said they would want their child to attend a community college for a two-year degree, compared to 16 percent of Democrats.

A second respondent group was asked a question that included information on the earnings benefits of a four-year degree. It noted that on average, students completing four-year degrees earned $61,400 each year over the course of their working lives, while those completing two-year degrees earned $46,000 annually on average. In responses, interest in a child pursuing a four-year degree rose among all respondents, as well as both Republicans and Democrats. About 75 percent of all respondents, 70 percent of Republicans and 79 percent of Democrats picked a four-year degree for their children.

A third group was asked the question after being told only about the cost of higher education. Respondents were told a four-year degree costs $14,210 per year at an in-state public university on average and that it costs $7,620 per year at a local community college to complete a two-year degree. Interest in a four-year degree fell and interest in a two-year degree rose among Democrats. Interestingly, interest in a four-year degree was still higher among Republicans than it was if they were given no information, while interest in a two-year degree was slightly lower.

When given only information on the cost of college, 60 percent of all respondents said they would want their child to pursue a four-year degree, and 26 percent said they would want their child to pursue a two-year degree. Among Democrats, 63 percent picked a four-year degree and 26 percent picked a two-year degree. Among Republicans, 60 percent picked a four-year degree and 27 percent picked a two-year degree.

It should be little surprise that adding information to a question will change respondents' answers. The results of such "priming" are a well-known phenomenon among those who construct surveys. However, comparing the way different groups react to different information can be insightful.

Consequently, the survey's most notable result came from a group of respondents that was given information on both the costs and financial benefits of higher education. When they were given the average annual earnings of a student with a two- or four-year degree and the average annual costs associated with those degrees, respondents' answers mirrored those who were given no additional information.

Two-thirds, 66 percent, of all respondents said they would want their child to go to a university for a four-year degree -- virtually identical to the rate of respondents who were given no information. About a fifth, 22 percent, picked a two-year community college, also identical.

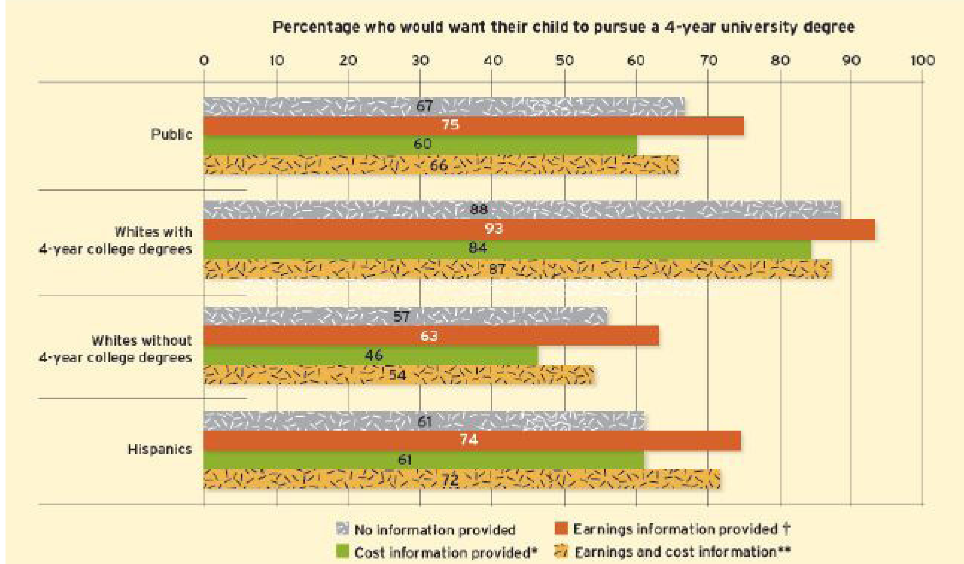
But the breakdown between Democrats and Republicans changed significantly. When cost and earnings information was presented, 66 percent of Republicans and 66 percent of Democrats chose a four-year university as the desired destination for their child. That's up nine percentage points among Republicans and down nine percentage points among Democrats from those who were given no information. Another 24 percent of Republicans and 19 percent of Democrats chose a community college, down seven percentage points among Republicans and up three percentage points among Democrats from those who were given no information.

"When we provide information on the costs and benefits of the two types of degrees, the difference between Democrats and Republicans disappears," said Paul E. Peterson, an *Education Next* senior editor who is also the director of the Program on Education Policy and Governance at Harvard University and a senior fellow at the Hoover Institution at Stanford University. "In other words, when people have information, the partisanship that we originally identify seems to have evaporated."

That finding is particularly noteworthy coming on the heels of the June Pew survey finding an increasing partisan divide over higher education. Two years ago, 54 percent of Republicans told Pew colleges had a positive impact on the direction of the country, according to that survey. That fell to 43 percent last year and 36 percent this year. Democrats, meanwhile, have gradually become more positive about higher education, with 72 percent this year viewing higher ed as having a positive effect, up from 65 percent in 2010.

Who Wants a University Degree? (Figure 12)

Two-thirds of the public would have their child pursue a 4-year degree at a university. Providing information on both cost and earnings has little effect on higher education preferences, except among Hispanic Americans, who become 11 percentage points more likely to prefer that their child pursue a 4-year degree.



Even so, observers on both the left and the right said the *Education Next* findings are interesting but not necessarily surprising.

"I'm not that surprised because we're polling parents," said Mark Huelsman, a senior policy analyst at the progressive think tank Demos, which has been a major advocate for free tuition in public higher education. "By and large they aspire for their children to get a four-year degree."

More than anything, the results show that people need time to do calculations for a cost-benefit analysis, said Mary Alice McCarthy, director of the Center on Education and Skills at New America.

"People have a hard time doing math on the phone," she said. "I wouldn't read too much into the results."

"The Pew survey was very much a 30,000-foot view of higher education," said Rick Hess, resident scholar and director of education policy studies at the American Enterprise Institute.

The *Education Next* survey, on the other hand, steered people away from thinking about their general impressions or the most recent news article about higher ed that upset them. It steered them toward considering the way educational decisions affect their families and their bank accounts over time.

"Republicans, for a host of reasons -- personally, I think, most of them legitimate -- have become quite skeptical about four-year institutions," Hess said.

"But when you ask them questions that point out people who go to four-year institutions are much more likely to earn a good living, that not only gives them information, but it reframes what they're thinking about. It's the same thing with Democrats."

Hess is also an executive editor at *Education Next*. But he was not aware of the survey or involved in it, he said.

Republicans and Democrats are much more similar when they are talking about a cost evaluation -- about, say a gallon of milk -- than they are when they are asked what they think about higher education in general, Hess said.

"If you're asking if \$2.39 is a good price for a gallon of milk, I think you'd get similar answers right or left," Hess said. "If you say, 'Do you think milk should be organically farmed?' I think you would see more right-left split."

The *Education Next* survey also found that white survey respondents without a college degree were less likely than their peers with a degree to want their children to go to a four-year institution. When asked what they would want for their children but not given any cost or earning information, 57 percent of whites without four-year degrees said they would want their children to go to a four-year university. Another 30 percent said they would want their children to go to a community college.

Those findings are substantially different from those for whites with four-year college degrees, 88 percent of whom said they would want their children to go to a university for a four-year degree. Only 8 percent of whites with college degrees said they would want their children to go to a community college.

The splits between whites with and without four-year degrees were virtually unchanged after respondents were given information on both earnings and costs. In other words, those without degrees don't seem to lack the information they need to make college and career choices, according to *Education Next*.

Results were similar when splitting white responses along income lines. Only 56 percent of white respondents with incomes of less than $75,000 said they would want their children to go to four-year universities, compared to 80 percent of whites with incomes of $75,000 or more. When they were given information on earnings and cost, 52 percent of the lower-income group chose four-year universities and 79 percent of the higher income group did so.

Hispanic survey respondents did show a substantial difference based on information provided, however. Without being told about the costs or benefits of college, 61 percent of Hispanic respondents said they would want their children to attend a four-year university. That jumped to 72 percent after they were told about earnings and costs.

Sample size limitations prevented pollsters from breaking out results for respondents who were black and not Hispanic. ■

https://www.insidehighered.com/news/2017/08/15/survey-sheds-light-how-cost-earnings-information-influences-decisions-over-higher-ed

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