How Colleges Are
Tackling Affordability

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Finally, "free means free" when it comes to open educational resources.

Mike Silagadze, CEO and co-founder, Top Hat

Introduction

Few issues concern students, tuition-paying parents and politicians as much as affordability. Rising debt levels scare off many who would benefit from a higher education. Parents from low-income and middle-income families fear that opportunities are out of reach. College administrators must address these concerns — but also pay the bills that are (in part) paid by tuition revenue.

The articles in this compilation explore how these issues are playing out in public and private higher education. Some states are making bold promises about free tuition, while others are moving to embrace radical shifts in structure that could limit expenses. In private higher education, the options vary widely — and differ by the wealth and competitiveness of the colleges.

And amid all the discussion of colleges' big economic decisions, many experts say that student decisions — whatever college they opt to attend — play a key role. So efforts to help students make wise decisions about debt and to graduate on time have become more crucial.

Inside Higher Ed will continue to track affordability issues. We welcome your comments on this compilation, and your ideas for future coverage.

--The Editors
editor@insidehighered.com

News

A selection of articles by *Inside Higher Ed* reporters

A Lack of Tuition Strategy

BY RICK SELTZER // NOVEMBER 9, 2017

States lack coordination and clarity, according to survey finding more than two-thirds of respondents reported no unified approach to address affordability.

Setting tuition at public colleges and universities is no simple task.

Governors and lawmakers approve different levels of state funding to subsidize higher education from year to year. Those same politicians are frequently unhappy with rising college costs, and they sometimes move to freeze tuition or cap its rate of increase.

But flat tuition, if not accompanied by an increase in appropriations, can result in fewer sections and longer times to graduation, which is expensive for students and families. And because of the way many state aid programs are structured, public tuition rates can directly affect the amount of financial aid students receive.

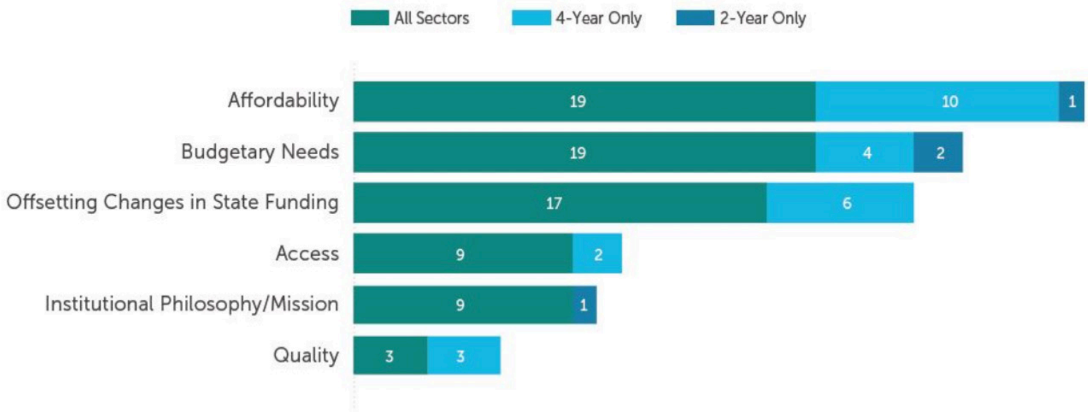
In other words, setting public tuition is an exceedingly complex process involving numerous power centers. It's a process with numerous possible unintended consequences for students' ability to pay for college. Yet it's a process that's not even close to being standardized from state to state.

Most states don't even have a single strategy for addressing affordability, according to a new report out today from the State Higher Education Executive Officers Association. SHEEO found that 68 percent of higher education agencies it surveyed had no unified affordability strategy taking tuition, fees and financial aid into account.

That lack of strategy comes even as four out of five states have put in place attainment goals for increasing the percentage of their residents with postsecondary credentials. As

a result, SHEEO is calling for states to bring together governors, lawmakers, higher ed governing boards and college presidents in order to set tuition and fees in ways that line up with attainment goals.

FIGURE 3:
WHAT ARE THE COMPONENTS OF STATE TUITION SETTING POLICY?



NOTES:
1. We were unable to obtain data for Pennsylvania and the District of Columbia.
2. Data are based on an analysis of open-ended responses to "describe the tuition setting philosophy in your state."

SOURCE: State Higher Education Executive Officers

"We have to find mechanisms to provide greater transparency and predictability to students and their families," said Rob Anderson, SHEEO president. "One way to do this is to set out conversations between all the players that take part in the tuition- and fee-setting process. Instead of looking short term, let's begin to think long term as far as what this relationship is going to look like between a governor, a Legislature, a higher ed office within a state as well as campus presidents and their administration."

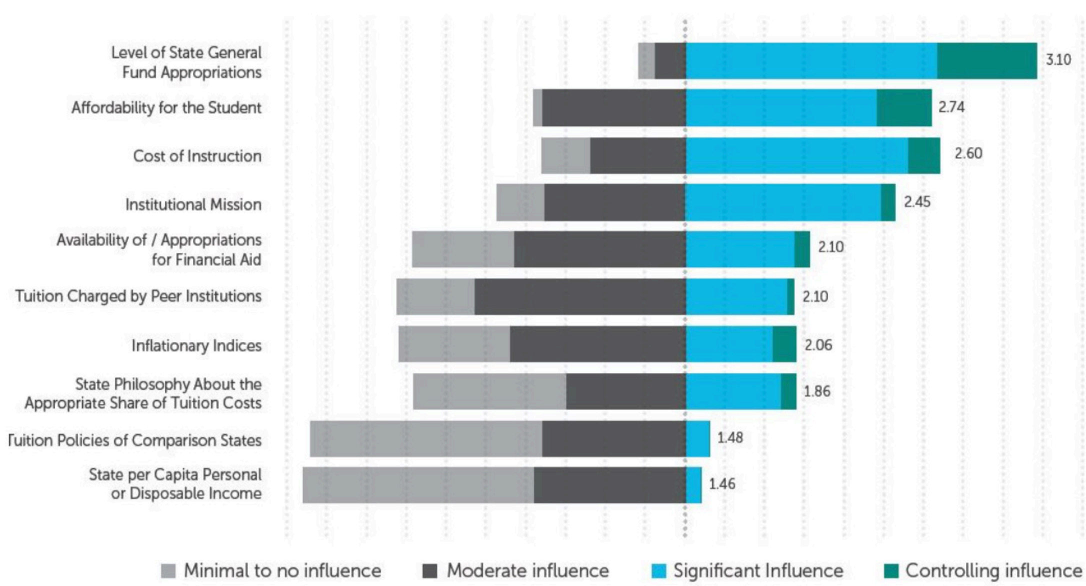
Although SHEEO is pushing broadly for a balance to be found between the cost students pay and colleges' revenue needs, it didn't issue its new report to examine actual tuition costs in depth. Instead, it looked at the different ways states set tuition, fees and student aid by conducting a survey that received responses from 54 higher education agencies in 49 states.

It found wide variations in the philosophies driving tuition setting. Keeping college affordable for students was the most common principle underpinning tuition rates, SHEEO found. But many also factored in budgetary needs and changes in state funding levels.

Philosophy is one thing. The factors actually driving tuition setting are another. The amount of money states budget for higher education is more important than affordability when setting tuition rates, SHEEO found.

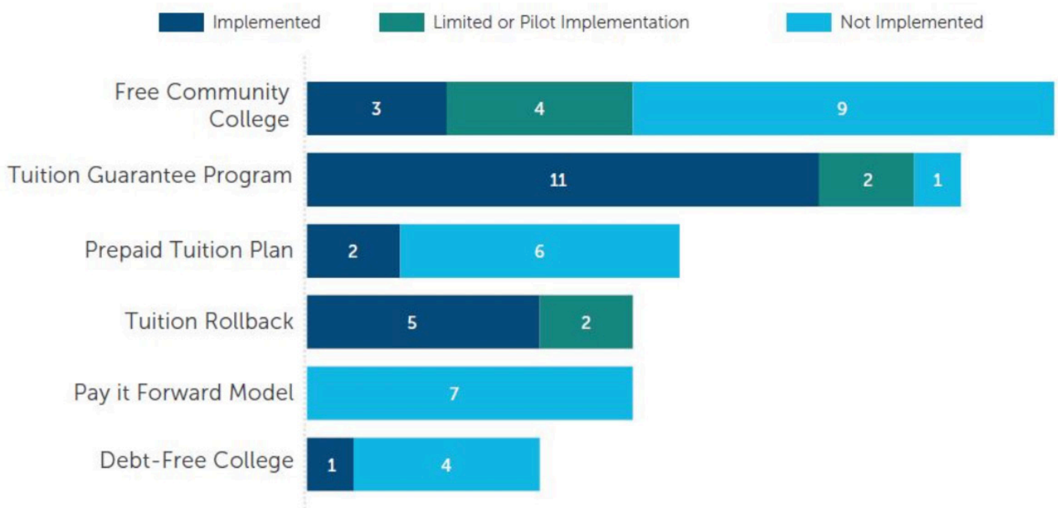
States have pursued several different tuition-affordability strategies in recent years. Free community college programs like the Tennessee Promise were the most likely to have been discussed, with

FIGURE 6:
LEVEL OF INFLUENCE OF VARIOUS FACTORS ON TUITION SETTING



three states adopting promise programs, four states putting them in place on a limited or pilot basis, and another nine states not implementing them. But tuition guarantee programs, which have students paying the same rate of tuition over the course of their enrollment, were more broadly implemented. A total of 11 respondents said their states had implemented tuition guarantee programs.

FIGURE 7:
AFFORDABILITY REFORMS IMPLEMENTED, PILOTED, AND FORMALLY DISCUSSED IN STATES



NOTES:
1. We were unable to obtain data for Pennsylvania and the District of Columbia.
2. Respondents were given the opportunity to select all responses applicable to the situation in their state.

SOURCE: State Higher Education Executive Officers

SHEEO also asked respondents whether their states had put in place prepaid tuition plans, tuition rollbacks, pay-it-forward models and debt-free college. Prepaid tuition plans are college savings accounts, like 529 plans. Tuition rollbacks have institutions cutting their rates of tuition in exchange for more public funding.

Pay-it-forward programs have students paying no tuition while they are in college but having a portion of their wages garnished after they graduate in order to pay for their education. Debt-free college uses a combination of financial aid mechanisms to help students graduate without any debt.

Of those other strategies, tuition rollbacks were most widely implemented.

The survey went on to ask whether a tuition freeze or other limit had been placed on residential undergraduate students in the last three fiscal years. Twenty-four respondents said neither restriction had been placed on their tuition. Twenty said a tuition freeze had been adopted, six said a tuition limit had been put in place and three said both a freeze and tuition limit had been enacted.

The question of who, exactly, sets tuition is sometimes murky. About three-quarters of states have tuition-setting authority laid out by legislative statute. Another 15 percent codify tuition-setting authority by board rule or policy, and 11 percent do not have the authority formalized at the state level.

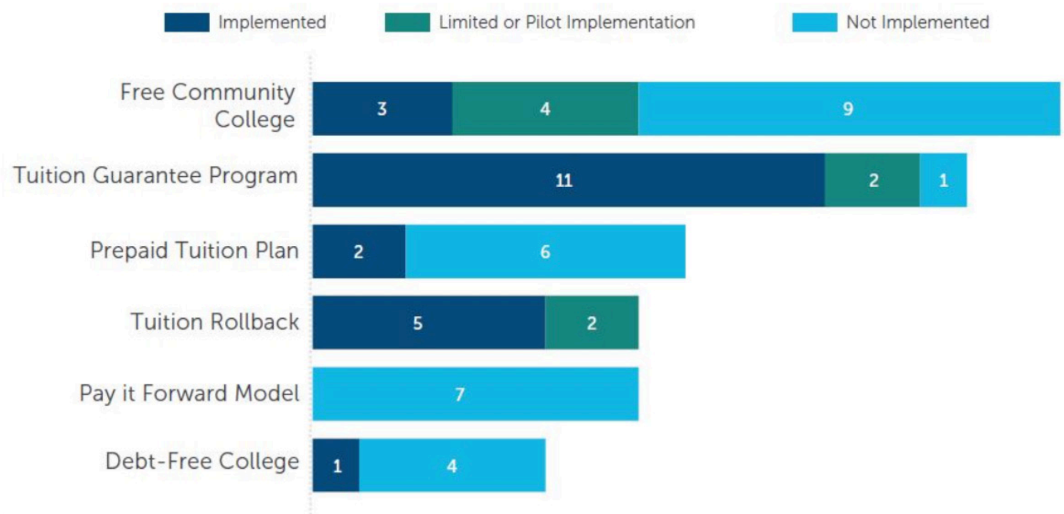
Various parties can propose tuition rates before they are formally adopted. The actors setting rates vary significantly from state to state -- and there are often multiple players involved. Governing boards were most frequently primarily responsible for proposing tuition rates in SHEEO's survey, followed closely by boards of individual institutions. But governors and legislatures often played an informal or consultative role.

A dozen respondents said multiple authorities could arguably be said to have tuition-setting authority in their state. Even outside those states, the process of setting tuition and fees is complex and involves multiple entities with sometimes-competing interests, according to SHEEO.

Restrictions on tuition rates can push colleges or universities that need to raise more revenue to increase fees. Many institutions have also turned to differential tuition in the face of pressure on tuition revenue. A total of 49 respondents told SHEEO they had implemented differential tuition between in-state and out-of-state resident undergraduate students. And 29 said they had implemented differential tuition for certain majors.

Changes to tuition can also put more pressure on financial aid programs. Minnesota, for example, awards the Minnesota State Grant for students from low- or moderate-income families based on the gap between the cost of attending college and a family's expected contribution -- and the state automatically spends more on financial aid to moderate the effects of tuition rate increases.

FIGURE 7:
AFFORDABILITY REFORMS IMPLEMENTED, PILOTED, AND FORMALLY DISCUSSED IN STATES



NOTES:
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SOURCE: State Higher Education Executive Officers

Yet only 21 survey respondents said they strongly agreed or agreed with the statement that policy makers should consider the impact on financial aid programs when they considered tuition rates. Another 10 disagreed with the statement, and 18 were neutral.

It's possible for state aid programs to offer students less money, or to offer fewer students money, if tuition rises at public institutions but state appropriations do not increase in lockstep, said Andy Carlson, SHEEO principal policy analyst.

"If a financial aid program is designed to cover tuition at a median institution in a state, and institutions raise tuition with little control from the Legislature, that's just going to reduce the number of students who are able to access the grants, unless the appropriation keeps up," Carlson said.

That's one of the reasons SHEEO is pushing for the different players in tuition policy to get together to talk strategy. Otherwise, they might be pulling in different directions, minimizing the effects of financial aid programs and otherwise hurting their chances of reaching larger goals.

"If a state or governing board is implementing an affordability strategy and they're not considering tuition rate policies' impact on that, the program probably won't be as effective as it could be," Carlson said.

Specifically, SHEEO is calling for policy makers to incorporate tuition policy into broader affordability and attainment strategies. Institutional revenue sources like state appropriations, financial aid and tuition should be coordinated, and more transparency should be established around institutional expenditures, the organization says. It also called for a multiyear approach to tuition policy -- one that would not necessarily lock in specific tuition rates over a set number of years but would create a range of allowable increases over three to five years, allowing institutions, students and families to plan better.

There are still skeptics about the effectiveness of those strategies. Andrew Gillen, an independent higher education analyst who has criticized SHEEO's assumptions in other studies, said increased coordination between policy makers could be worthwhile for some reasons. But he doesn't think it will lead to a lower cost of delivering education or encourage third parties to shoulder more of the cost.

"The bottom line is that increased coordination doesn't have much potential to reduce or reallocate costs," he said via email. "And even if it did, it is unlikely students would see any of the benefit."

There is also no guarantee that bringing different parties together would result in better coordination. Many players with power would be hesitant to give up the ability to set tuition, said Joseph Rallo, Louisiana's commissioner of higher education. Different institutions also face vastly different situations.

"I'm not saying you don't want to be able to come to the table," he said. "When it comes to tuition and fees, it is really is so variable and singular it would be hard to go beyond conversing."

Rallo was more optimistic about the idea of coordinating financial aid. Putting together state aid, institutional grants and federal aid could benefit students and provide more clarity for families, he said. ■

https://www.insidehighered.com/news/2017/11/09/state-higher-ed-leaders-call-better-coordination-tuition

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[1] https://uspirg.org/reports/usp/fixing-broken-textbook-market

Putting Money Where His Mouth Is?

BY RICK SELTZER // FEBRUARY 14, 2018

New York Governor Andrew Cuomo has made huge claims and drawn sharp criticism with his higher ed policies. The numbers show neither his biggest boasts nor his angriest detractors are entirely correct.

New York Governor Andrew Cuomo

New York Gov. Andrew Cuomo's relationship with colleges and universities in his state has not been one of wine and roses, despite -- and often because of -- the much-trumpeted free public tuition program he launched last year.

The program, the Excelsior Scholarship, was received as an initiative with significant caveats that still has the potential to be a boon for public colleges and many low- and middle-income students in the state. Cuomo, a Democrat, has attempted to emphasize its importance, using it on the way to positioning himself as a progressive leader fighting against Donald Trump's vision of America, a leader who has fulfilled the dreams of Vermont senator Bernie Sanders by bringing tuition-free college to one of the country's most populous and important states.

But a detailed look at Cuomo's recent actions reveals a more complex picture of a governor who has had to make realpolitik policy trade-offs and accept economic constraints when it comes to higher ed. The constraints include a sizable state budget shortfall estimated at $4.4 billion for the upcoming year. The trade-offs frustrate higher education advocates.

In his latest budget proposal, the governor calls for eliminating Bundy Aid, a relatively small but long-running program that sends funding to private colleges based on their ability to graduate students with degrees. Late last year, Cuomo vetoed a maintenance-of-effort bill that would have expanded funding for rising costs at the state's two public university systems, the State University of New York and the City University of New York. Many experts on public higher education finance have said that free tuition without consistent state funding of the type required by the bill is a recipe for eroding the quality of public colleges. At the time, Cuomo also angered New York's for-profit sector by vetoing a bill that would have allowed for-profit institutions to take part in a state student aid program.

Cuomo's approach to higher ed can be called disruptive, fearless and, depending on your perspective, reckless. Still, he can't reasonably be labeled a consistent thorn in all colleges' sides or their one true savior.

"I definitely think there's a fair question of whether the dollars behind these proposals match the scale of what people imagine," said Judith Scott-Clayton, an associate professor of economics and education at Teachers College, Columbia University. "It is very reasonable to look at the numbers as an expression of the priorities."

Bemoaning Bundy Cuts

One section of Cuomo's most recent executive budget proposal, which was released last month, makes private colleges in the state seem like a low priority. The budget calls for discontinuing the $35.1 million Bundy Aid program and moving funds into a new $30 million round of the state's Higher Education Capital Matching Grants program. That grants program had been funded at $30 million per year in recent years until being zeroed out last year.

Bundy Aid is unrestricted financial support flowing to more than 100 private institutions, according to the budget proposal. It represents 0.1 percent of revenue for eligible colleges on average, and redirecting it would allow the funding to have more impact, the budget argues.

Private colleges push back on the idea that Bundy Aid is an unimportant program with little impact. Terri Standish-Kuon is the vice president for public affairs at the Commission on Independent Colleges and Universities, the association advocating for private, nonprofit institutions in New York.

"For some schools, particularly those with very modest endowments, Bundy can represent the kind of consistent support to the operating budget that would be a return on an endowment that they do not have," she said. "It's consistent and it's predictable, and it does contribute to the enterprise in a way that takes pressure off of tuition."

By and large, colleges and universities put Bundy Aid toward student support programs or programs supporting the student experience, she added. Since it awards funding based on degree production, some have argued it contributes to the completion agenda.

The program's level of funding has been curtailed significantly over the years. But the idea of eliminating Bundy Aid may also represent a larger betrayal in the eyes of New York's private colleges. The program's origins can be traced back five decades to a time when the state's public university systems were still relatively new and when some worried about the future of the New York's considerable private college sector.

Fast-forward back to today, and many tuition-dependent private colleges in New York have been voicing heightened fears for their future after Cuomo brought free tuition to New York's public institutions. Many private institutions that are discounting tuition heavily in order to attract students wonder how they can compete with public universities suddenly dangling a tuition price tag of zero. Early indicators showed many experienced enrollment declines among in-state students. While New York State has a number of well-known private colleges that recruit internationally, many of its colleges overwhelmingly enroll students from within the state.

New York created a new Enhanced Tuition Awards program for private colleges as a companion to the Excelsior Scholarship. The new awards allow some students to receive up to $6,000 but came with the same controversial family-income restrictions, work and residency requirements, and course-load requirements as Excelsior. They also mandate participating institutions to match government awards, which some private presidents criticized as a financial strain.

Excelsior and Funding Questions

For all the criticism private colleges lob at Excelsior, there are questions about how far-reaching that program actually is -- and what will be its long-term effect on public institutions. Excelsior is ramping up over three years. In its first year, it was available for SUNY and CUNY students from families making up to $100,000 per year.

Next fall the income limit will increase to $110,000, and it will rise again to $125,000 the following year. The program is structured on a last-dollar basis, meaning it provides money after students receive other sources of tuition assistance. It requires students to complete 30 credits a year, and students are generally required to live and work in the state for several years after graduating or pay back their scholarships.

Cuomo's office recently announced Excelsior boosted applications and full-time enrollment at SUNY and CUNY. Unique applications received for SUNY's state-operated campuses jumped 9 percent from 2016 for the period ending Dec. 22, 2017. The number of full-time freshmen taking 15 credits or more rose by 11 percent compared to fall of 2016. First-year CUNY applications rose 11 percent in a similar comparison, while the number of full-time freshmen taking at least 15 credits increased by 39 percent.

> I definitely think there's a fair question of whether the dollars behind these proposals match the scale of what people imagine.

The statistics on students taking 15 credits or more are significant. When Cuomo predicted that Excelsior would encourage more students to enroll full-time -- increasing their odds of completion -- critics said part-time students often can't take that many credits because of work or family commitments, or don't want to do so. Despite those doubts, the program does in fact appear to be shifting student behavior.

Cuomo's budget proposal includes $118 million to support free tuition for an estimated 27,000 students in the upcoming year. But Excelsior makes public institutions more reliant on state dollars, something that could be a problem if enrollment swells in future years and state aid doesn't keep up.

"The systems are in the awkward position of saying, 'We can handle this volume, this increased volume, but we think there are a range of services that exist and capital needs that will be required over time,'" said Deborah J. Glick, a Democrat who chairs the New York State Assembly's committee on higher education.

"We all know that tuition doesn't cover the cost of educating a student," she said. "It is not a long-term sustainable model without additional state support."

Cuomo has proposed increasing state support for both SUNY and CUNY four-year colleges for the upcoming year. His budget proposal calls for SUNY campuses to receive $2.95 billion from the general fund, up 0.4 percent. It calls for $1.32 billion for CUNY senior colleges, up 2.9 percent.

Those proposals are below what SUNY and CUNY had requested. SUNY asked for about $3.2 billion. CUNY requested about $1.4 billion. Also of note is that Cuomo proposes cutting $18 million, or 2.4 percent, from community college funding, largely because of a decline in enrollment at two-year SUNY colleges.

The numbers reflect priorities, but they also reflect political realities of a New York government where the Legislature tends to increase funding for higher ed over the level the governor recommends. A relatively low executive budget request for SUNY and CUNY is fairly common in New York.

An "unwelcome dance" takes place every year, Glick said. The governor proposes cuts for some programs the Legislature champions, and the Legislature proceeds to negotiate additional funding for those programs.

Higher ed advocates are concerned about funding as a whole and the structure of funding received. They pointed out that the governor's budget proposal has not added a new maintenance-of-effort provision for state higher ed. Cuomo vetoed a bill in December that would have added to existing law so that the state would have had to pick up several types of rising costs.

That veto drew rebukes from some observers, such as the editorial board at the *Times-Union* in Albany, which wrote that less than a year after launching Excelsior, Cuomo had "undermined the very university system students would attend." Advocates like the New

York Public Interest Research Group also decried it.

NYPIRG remains concerned about funding levels Cuomo proposed, according to Emily Skydel, the organization's higher education coordinator.

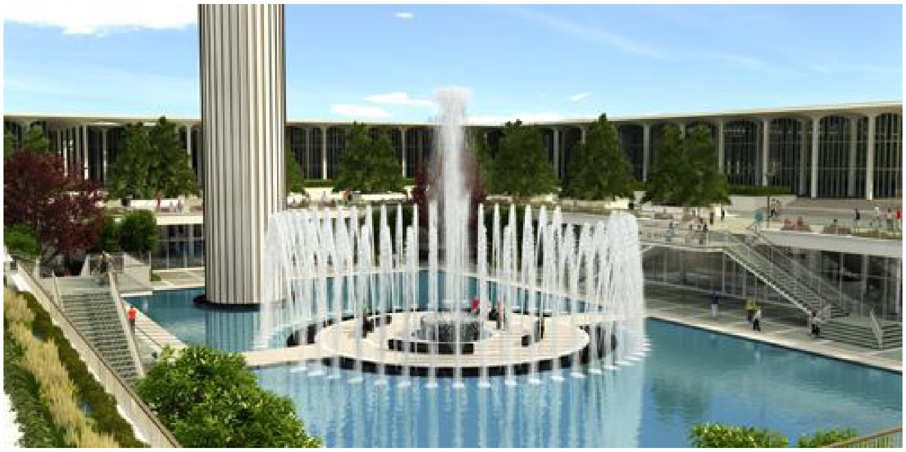
"There are slight increases in funding in their operating budgets, but not enough to meet the needs of students," she said.

Colleges and universities have to curtail course offerings when they don't receive enough funding, Skydel said. That prevents students from graduating on time, confounding one of the Excelsior program's goals.

"I know students have really been making the connection between the hypocrisy of free college and free tuition at an institution that is not provided the resources to meet the standards that are being proposed," Skydel said.

The SUNY Student Assembly has also been critical of Cuomo's budget proposal, putting out a statement saying New York's budget should not be balanced on the backs of students. A spokesman, Arthur Ramsay, said in an interview that there are large gaps in the governor's proposed budget, including overall funding levels and continuing to fund community colleges on a per-student basis.

"One thing students wanted was to really increase the amount of base funding for community colleges," he said. "What the governor's office has done in their executive budget proposal is continue the base operating need per student, and they've kept a lot of things that SUNY hopes to be increased flat."



University of Albany

SUNY has long advocated for a change to the per-student funding model at community colleges. Chancellor Kristina Johnson testified last month that the model does not provide enough resources to allow campuses to support and retain students. The system requested a different formula that would cost an additional $24 million this year over the governor's proposed budget.

"We realize that this one-year implementation is an extremely heavy lift in a difficult year, but the importance of the request to look at state funding for SUNY community colleges cannot be overstated," Johnson said. "If our community colleges are meant to continue to be the innovative producers of the educated work force that New York State needs, stability, predictability and investment should be on the forefront of our efforts."

'Unwavering' Commitment to Higher Education

The governor's backers retort that the state has increased per-student aid for community colleges every year for six straight years. Total state support for SUNY has gone up by 26 percent, or about $1 billion, since 2012, they say. Total state support for CUNY has gone up by 25 percent, or $460 million.

They have answers to other criticisms as well, arguing New York provides more money to private colleges than any state in the country other than Texas. Shifting Bundy Aid to the matching capital grants program is a better way to leverage taxpayer dollars, said a spokesperson, Abbey Fashouer, in an email.

"By shifting funds from Bundy Aid to [Higher Education Capital Matching Grants], this year's budget makes state aid more impactful for private colleges, supporting their strategic investments and ensuring that state funding reaches as many students as possible," she said. "Governor Cuomo will continue to work with private and public institutions to make college affordable and ensure cost is never an impediment to educational opportunity. To that end, this year the governor has proposed nearly $23 million for the Enhanced Tuition Award, enabling more students at private colleges to receive financial assistance to complete their degree."

The governor's office has also pointed to him championing programs like a plan limiting the rate of tuition increases at SUNY and CUNY and a loan forgiveness program.

> One thing students wanted was to really increase the amount of base funding for community colleges.

On the issue of maintenance of effort, the governor has argued he rejected the bill in December -- along with some other higher ed-related legislation -- because it was passed outside of the budget process and could cost the state a significant amount of money in unplanned expenses.

"My commitment to funding education at all levels is unwavering," he wrote in a veto message. "Collectively, however, these bills would add hundreds of millions of dollars in increased and unbudgeted costs to the state's financial plan, which will ultimately be shouldered by the state's taxpayers. Such education funding decisions, both in terms of revenues available and appropriations to be expended, have always been, and should continue to be, addressed in the context of the annual budget negotiations."

Also among the bills vetoed was one that would have made students enrolled at for-profit colleges eligible for the Enhanced Tuition Awards program. That move drew criticism from the for-profit trade group the Association of Proprietary Colleges, which argued Cuomo "turned his back" on a diverse group of students attending its member institutions. But the veto also drew praise from the Century Foundation, which worked to defeat the legislation.

"To put it plainly: this was a bill straight out of Betsy DeVos' playbook for subsidizing and deregulating for-profit colleges," said Yan Cao, a Century Foundation fellow, in a statement at the time. "Governor Cuomo's veto sends a strong message that New York will defend students, protect taxpayers and demand quality education."

It's also worth noting that Cuomo has overseen a state that has increased educational appropriations per full-time student in recent years. The state provides slightly more in appropriations per full-time equivalent when compared to the U.S. average, according to research by the State Higher Education Executive Officers association. Its appropriations per student rose by 4 percent between 2011 and 2016, climbing back to levels seen in 2008, before the Great Recession.

Public higher ed leaders haven't been openly critical about Cuomo's budget proposal this year, either. CUNY chancellor James B. Milliken said the proposed budget moves the state closer to a future where all low- and middle-income residents can access higher education at no cost.

"We applaud the important increased investment in CUNY's operations, as well as the continued commitment to critical maintenance," he said in a statement.

Cuomo's latest budget proposal also includes some high-profile priorities, including making undocumented students eligible for forms of state aid like the Excelsior Scholarship and requiring food pantries at all SUNY and CUNY campuses. But some groups have decried cuts and changes to other areas impacting state systems and students, including hospitals, mental health services and so-called opportunity programs, like child-care options.

It's impossible to tease out how the governor's proposals will affect the state's higher ed landscape after the Legislature has its say on them.

"I don't know how this shakes out this year or next year," said Scott-Clayton, of Teachers College. "But if resources per student are not changing or potentially are even falling, I would say that's still a concern. The new policies, if they don't fix that, they're not addressing the core constraints." ■

https://www.insidehighered.com/news/2018/02/14/despite-big-rhetoric-all-sides-andrew-cuomos-budget-priorities-bow-economic

Whittling Down Wisconsin's Colleges

BY RICK SELTZER // OCTOBER 13, 2017

Professors fear an ambitious systemwide merger plan is rushed, but system president argues it is necessary amid tight budgets and declining enrollment at Wisconsin's two-year colleges.

Students at the University of Wisconsin Sheboygan

Plans to restructure the University of Wisconsin System and merge many of its institutions are generating controversy, with the system's president saying they are necessary, faculty members worrying they are being rushed and one expert likening the proposal to rearranging deck chairs on the Titanic.

But in a state university system constantly buffeted by budget pressures and political battles in recent years, some also hope that the latest in a long line of changes has the potential to help students, even if it is far from perfect -- or even fully formed.

The UW System officially unveiled the planned changes Wednesday, shortly after they leaked to the press. The state's two-year UW Colleges would be merged into four-year institutions in the same general geographic areas. Programs in the UW Extension would be moved to UW Madison and the system administration, and UW Colleges Online would move to the system administration.

That would mean 13 two-year colleges being slotted under the umbrella of seven four-year institutions. No physical campuses would be closed, with the two-year campuses instead functioning as branch campuses after the mergers' completion. Two-year campuses would maintain their current tuition levels, and officials say they would be able to offer more upper-level and general education courses.

The separate Wisconsin Technical College System would not be affected by the UW System proposal. Nonetheless, the plans stand out as among the most ambitious public system merger attempts seen in recent years.

While several states, like Pennsylvania, Vermont and Connecticut, have flirted with or pursued the idea of merging state institutions in recent years, systematic changes

are virtually nonexistent. The best known example of mergers taking place is Georgia, where leaders pursued aggressive timelines but have launched consolidations in waves, only announcing a handful at any one time. That's a stark contrast to the all-at-once approach being pursued in Wisconsin.

The changes are necessary because of a combination of budget pressures on higher education, demographic changes in Wisconsin and declining enrollment at UW's two-year institutions, according to University of Wisconsin System leadership.

"We explored a lot of options, including just closing a few of them," Ray Cross, UW System president, said in an interview. "The problem there is that these communities are so dependent on these campuses. So one of our premises was we must be able to find ways to maintain and preserve the university presence in these communities. It may not be as exhaustive as it was, but we need to find a way to do it."

Merging the institutions is intended as a way to improve students' access to college, Cross said. Some two-year campuses could add third and fourth years under programs at their new four-year affiliates. Students should find it easier to transfer to four-year programs.

The plan will go before the state Board of Regents in November for approval. Cross is proposing making the mergers effective July 1 of next year. But changes would stretch beyond that date.

"It will be a couple of years at least before we know where the fallout will be," Cross said. "It will take a while to get there."

The amount of money saved, changes in faculty numbers and changes to staff levels resulting from the restructuring have yet to be determined. But there will be budget savings, Cross said.

UW System leaders said that by 2040, population growth in the 18- to 64-year-old demographic -- a range of ages covering most students and workers -- is only expected to be 0.4 percent. At the same time, enrollment has been declining at the 13 different two-year UW colleges.

None of the colleges grew enrollment between 2010 and 2017. UW Rock County posted the smallest percentage decline, 28 percent, to 661.3 full-time-equivalent students. UW Manitowoc had the largest decline, 52 percent, to 250.7. Only one of the colleges, UW Waukesha, enrolled more than 1,000 full-time-equivalent students in 2017.

Faculty members at both two-year and four-year UW institutions worried that the process will be rushed. Some felt blindsided by a proposal they learned about mere weeks before it is set to go before the Board of Regents. They wondered about a tight timeline for implementing that plan.

"My primary concern is that the UW System administration is proposing such a sweeping overhaul without any stakeholder input, with very few details known and with very little time before the regents are supposed to vote on it," said Nicholas Fleisher, an associate professor in the department of linguistics at the University of Wisconsin Milwaukee, via email. "This is the kind of major reorganization that is supposed to take years of careful planning, with appropriate feedback and approval from governance groups, in a transparent manner. What we're seeing right now is the opposite on all counts."

Fleisher believes cost cutting is the administration's only reason for pursuing the restructuring.

The new restructuring would come just a few years after a leadership consolidation at the two-year colleges driven by state budget cuts in 2015. The previous round of changes combined leadership positions for the 13 campuses into four regional leaders in an attempt to save money and cope with state budget cuts.

Meanwhile, some say that the talk of changing demographics misses a larger point about the population in Wisconsin. While projections show the number of traditional-age white college students declining, the number of nonwhite high school graduates is expected to grow in coming years.

"When you look at it, really, what's the issue with enrollment?" said Noel Tomas Radomski, managing director of the Wisconsin Center for the Advancement of Postsecondary Education at UW Madison. "My hypothesis is that the colleges in particular that are close to the villages, towns and cities, they are not reaching out in different ways to first-generation white students, low-income whites, first-generation Hispanics, largely because they haven't had to do that before."

When the leadership centralization took place at the two-year colleges several years ago, many functions that used to be local were pushed up to regional or central offices, Radomski argues. That could hurt campuses' ability to recruit local low-income and first-generation students.

Radomski believes the changes made in 2015 were poorly planned and implemented too quickly. Those mistakes are being repeated with the new plan, he said.

"We have a lot of youth who are graduating who, historically, they and their family haven't gone to college," Radomski said. "That is the real issue. We're focusing on how we're going to have branch campuses, and wham-bam, we're going to have enrollment increases. My argument is we're just moving chairs on the deck."

Not only is the university system not recruiting appropriately for new types of students, but it is also not distributing enough state money to the colleges that need it most, Radomski argues. Still, he thinks the proposal has some potential.

Faculty members in leadership positions at institutions being merged took a nuanced view. Faculty at UW Green Bay were surprised, said Patricia Terry, a professor of engineering technology at the institution and chair of its University Committee, which functions as the executive committee for its Faculty Senate.

"None of us really knew this was coming down the pipeline until we heard about it yesterday," Terry said. "There are some concerns about how the faculty at the now-satellite campuses are going to merge with the faculty at UW Green Bay."

Professors at UW Green Bay have different responsibilities from their peers at the three campuses that will be merging into the institution, UW Manitowoc, UW Marinette and UW Sheboygan, Terry said. There are also different requirements for being hired as a faculty member at the various institutions.

Yet Terry believes the mergers could present opportunities once the kinks are worked out. They could allow UW Green Bay to grow its enrollment without stressing supporting resources, for example. If the curricula can be standardized between UW Green Bay and the two-year colleges being merged with it, students could be able to start at the two-year colleges, save money, and more easily transfer to UW Green Bay for their final two years with specialized courses.

Holly Hassel is a professor of English at UW Marathon County, a two-year college to be merged into UW Stevens Point. She is also the

> We're focusing on how we're going to have branch campuses, and wham-bam, we're going to have enrollment increases. My argument is we're just moving chairs on the deck.

chair of the senate for faculty, academic staff and university staff at all UW Colleges, including UW Colleges Online.

"There's a lot of confusion, a lot of concern," Hassel said. "We've been in this structure of a single unified institution, the UW Colleges, for 40 years almost."

Faculty members wonder whether the tenure they have earned will be honored in the merger, according to Hassel. The concern resonates in a state system where faculty members in recent years lost a bitter battle against changes they saw as weakening tenure protections.

But Hassel also mentioned optimism that the changes could benefit students. At some level, faculty may be exhausted from other fights and changes, like the battle over tenure and the UW Colleges administrative changes.

"I am actually surprised by the lack of faculty outrage," Hassel said. "We're kind of shell-shocked about it, but we're going to try to keep it together because we have students who need us to. We're trying to make it happen." ■

https://www.insidehighered.com/news/2017/10/13/wisconsin-merger-plan-stokes-controversy-some-see-upside

States Take a Look at Online Learning Prices

BY MARK LIEBERMAN // APRIL 4, 2018

Debate over the actual cost and value of online education continues to polarize participants. Meanwhile, state legislatures are looking for ways to cut costs for students.

As tuition and student debt levels continue to rise, so has the political and public pressure on colleges to keep costs for students under control. Online education, still emerging, hasn't escaped those conversations.

Legislatures in several states have taken steps in recent years to curb fees that institutions charge exclusively to online students, or to incentivize institutions to spend less on their online programs. (They're also taking a look at fees charged to both residential and online students, but that's a separate issue with its own nuances.)

As lawmakers debate and implement these policies, they confront the complexity always raised by interlocking issues of cost and price in higher education. Online education in particular tends to raise simple questions with complex answers: Do online courses cost more or less to produce than their face-to-face counterparts? Should students pay more or less to take courses online?

In some cases, institutions are pleased with interventions from states. But new laws bring new challenges as well. Observers of online education believe the piecemeal approach to pricing and value considerations for online programs won't be resilient in the face of increasing competition and stricter pressures.

"I feel like there's this balloon and it's just stretched. It's going to break," said Tanya Spilovoy, director of open policy at the WICHE Cooperative for Educational Technologies (WCET). "We're just all waiting for the explosion to happen."

Spilovoy hails from North Dakota's system of public institutions, which may soon face legislative tweaks to its fee structure, as policy makers look toward streamlining ancillary costs that students -- both online and otherwise -- incur. But that conversation doesn't come together neatly, Spilovoy said, when legislators aren't asking the right questions.

According to Spilovoy, legislators looking to drive down fees often ask education officials for the number of students served by their online programs. But that question prompts more questions than answers, she said: What percentage of a student's course load needs to be online before they're considered an online student? Will a simple head count suffice, or will that yield duplicates and other misleading statistics?

"We're all speaking different languages. They want to know something but they don't ask it in a way that the institution understands," Spilovoy said. "Part of the important work is finding a middle group and having them all speak the same language."

Inching Toward the Solution

Equilibrium might be closer to reality in Florida, which has had a turbulent few years in the area of fees assigned only to online students.

Legislators established the distance education fee in the mid-2000s to offset what they perceived as major expenditures for investing in online education. Institutions largely shared their views at the time. But a few years ago, legislators started taking a second look.

"There was a feeling among policy makers that distance learning instruction should be cheaper than regular face-to-face instruction," said John Opper, executive director of distance learning and student services at the Florida Virtual Campus, a state-level organization that operates the state's online catalog and represents institutions' distance learning student services. Legislators pointed to institutions that weren't charging distance fees and asked the institutions that were why they couldn't follow that example, according to Opper.

Florida's governor, Rick Scott, in 2017 announced strong opposition to distance education fees, urging the Legislature to ban them. With some intervention from institutions, parties reached a compromise, limiting the average distance learning fee at an institution to $30 per credit hour per student. That figure came following a comprehensive survey of the cost landscape for online education.

Pam Northrup, vice president of the division of research and strategic innovation at the University of West Florida, helped write that survey. She found considerable diversity in institutions' approaches to distance fees: some charged a considerable amount, some were more reserved and some charged no fee at all. The $30 cap appeared to Northrup as an attempt to bring some more consistency.

That policy had a one-year expiration date, and lawmakers didn't choose to renew it. Institutions no longer have to abide by a maximum, as long as they cap their fees at an equivalent amount to the costs of producing the online program in question.

Justin Ortagus, assistant professor of higher education administration and policy at the University of Florida, sees merit in the argument that online -- particularly high-quality online -- costs more, given the need for production personnel, web designers and other start-up costs. Tuition alone might not recoup those investments for years; fees can speed the process along, he said.

Institutions like Florida State University that rely heavily on state appropriations have to lean on them more without fees to fill in gaps.

"The distance learning fee revenue helps to offset the costs of developing and deploying online courses," said Dennis Schnittker, a spokesperson for Florida State. "In instances where the fee restriction has limited revenue for certain programs, the state appropriation must offset a greater portion of the program expenses."

In some cases, that means programs are more affordable and easier to market, according to Evie Cummings, assistant provost and director of University of Florida Online.

"We're able to give our students the Tesla experience at Ford prices," Cummings said.

Cutting fees isn't always universally popular among students. At UF Online, some local students were frustrated that they couldn't access certain recreational and health services on campus because they weren't paying fees that residential students pay, according to Cummings. Now the fee package is optional.

One of the central questions in the debate over the cost of online programs revolves around who should pay for quality. The answer to that question determines the volume

> We're all speaking different languages. They want to know some- thing but they don't ask it in a way that the institution understands.

of fees incurred by students.

"They took some of the cost off of the student and put it on the taxpayer," said Andy McCollough, associate provost for teaching and technology at the University of Florida. "If you're going to deliver a high-quality program, it's hard to do it without appropriate funding. And that was, I think, recognized."

In North Dakota, eliminating the distance education fee isn't simply a matter of cutting an excessive requirement. Institutions there would experience a "significant revenue impact" if the fee were eliminated, according to Tammy Dolan, vice chancellor for administrative affairs and chief financial officer at the North Dakota University System. Raising tuition is a possibility, but not an immediately feasible one, as the necessary increase would exceed the legally mandated limit in the state, Dolan said. Lawmakers and institutions aren't sure where their deliberations will lead.

"We need to determine if the fees are the best way to cover those costs, or if we have to find another way," Dolan said. "I don't really have an answer."

An Unusual Approach

Administrative efforts to re-examine the price of online programs came in a different form in Wyoming. The Wyoming Community College Commission -- a "strong coordinating" but nongoverning agency, according to Executive Director Jim Rose -- allocates an annual appropriation from the state according to an established set of definitions distinguishing types of courses.

"Delivering a history course in lecture to 45 students is different from delivering a welding lab," Rose said. Until 2016, the law divided courses into three categories:

1 Level one (funding multiplied by one): A class guided by an instructor through course materi al delivered via lectures, field trips, readings, written assignments and one-on-one tutorial. The in structor leads the class and as signs homework based on lectures.

2. Level two (funding multiplied by 1.25): A class taught in a laboratory setting; lectures, readings, written assignments and multimedia serve as supplement.

3. Level three (funding multiplied by 1.5): A highly technical class that requires significant equipment and hands-on activities.

The question of how to fold online classes into those categories proved divisive, according to Rose. Most agreed that online courses shouldn't be level one by default, but decision makers struggled to reach consensus on a proper formula.

The situation is particularly murky because the system's online population includes several thousand high school students who take community college courses through dual enrollment. Those students naturally receive different provisions than residential students.

Legislators ultimately landed on reimbursing institutions for 80 percent of the cost of producing online classes, despite calls from several members for a substantially lower percentage.

Though the reimbursement change has had a less severe impact than an overall decline in funding for the system, according to Rose, some institutions with large online portfolios could feel financial pressure to reduce their online presence, Rose said. Eastern Wyoming College, for instance, has seen a slight reduction in state funding because of its high percentage of online courses.

Rose said decisions about the cost of online programs are often based on anecdotal evidence or assumptions unchecked by rigorously collected data. In this case, he said, legislators were drawn to the notion that online programs are less costly because they don't require use of a classroom space and its associated maintenance and upkeep. But critics of that argument point to the need for high-quality support from instructional designers that outweighs similar needs for face-to-face courses.

"We've not seen this completely wrapped up into a nice package," Rose said of the debates raging well beyond Wyoming. "I think we're going to see continuing change."

Distance education fees can still be appealing for institutions, though. Thanks to rapid growth in online enrollment, the University of Tennessee at Chattanooga has accumulated a surplus from distance education fees that it plans to reinvest to support technology and training on campus, as reported this week in *The University Echo*, the institution's student newspaper.

Northrup, of West Florida, believes distance education fees are a small but important part of the conversation about improving affordability. Eliminating them won't work for everyone, but maintaining the status quo seems increasingly untenable.

"People are trying hard to do due diligence to ensure that students aren't just paying such exorbitant prices to attend college," Northrup said.

"That happens in the textbook arena and anything that's a variable cost. We're trying to look at where we can stabilize and reduce costs, but also recognize that there are real costs." ■

https://www.insidehighered.com/digital-learning/article/2018/04/04/states-pursue-methods-reduce-burden-students-online-programs

Pushing for 4-Year Graduation

BY GRACE BIRD // MARCH 1, 2018

UNC Asheville is building a program offering free summer tuition after sophomore and junior years to those who need an extra course or two to finish on time.

Many students no longer enjoy summers off, and some colleges are seeing this months-long break as key to promoting on-time graduation. But the cost of attending classes may discourage students from enrolling in the summer.

The University of North Carolina at Asheville has come up with a remedy: free summer courses. The university is offering students who are one or two classes shy of junior or senior status (60 or 90 credits) free summer courses to encourage them to complete the 120 credits required to graduate in four years. The six-year graduation rate at Asheville is 60 percent, according to Deaver Traywick, interim senior director of student success. And the four-year rate, according to the U.S. Education Department, is just under 40 percent.

The second, expanded pilot, called the "first to finish" program, covers tuition for four general education courses, each worth four credits, in the summertime (HUM 214, Communities and Selves; HUM 324, The Modern World; and HUM 414, The Individual in the Contemporary World; and ARTS 310, Arts and Ideas).

According to Traywick, the university selected these courses because they help fulfill the university's liberal arts core requirements. Undergraduate summer school classes at Asheville cost $288.80 per credit hour for in-state residents and $610.80 for out-of-state residents.

This year, the program has expanded significantly, with Asheville set to offer 75 to 100 students one or two summer classes. The initiative is funded by a $95,000 grant from the University of North Carolina system.

Last summer, the university accepted 23 of 38 applicants to the original pilot, the "back on track" program, after advertising directly to 148 individuals who met the requirements and were one or two courses away from being seniors at the end of their junior year. Of the 23 students, 19 are on track to graduate this May.

The program was funded by a $31,500 grant from the state university system; individual packages averaged $1,369 each. While Asheville pledged to cover room and board as well, all 23 students had housing arrangements and didn't need that money.

Asheville's interim chancellor, Joseph Urgo, said that the program focuses on low-income, rural and first-generation students.

Of the 23 students selected last year, two were from rural counties and 10 were eligible for Pell Grants at some point during their enrollment.

To Urgo, graduating in four years has both academic and psychological benefits. "It can change your personal narrative," he said.

At the moment, Asheville is the only college in the state university system to offer free summer tuition to rising seniors.

But according to Andrew P. Kelly, senior vice president for strategy and policy at the system, the initiative may pilot at other UNC campuses.

Western Carolina University announced a similar program recently -- the college is set to offer 70 scholarships of $500 each to matriculating low-income students or those who attended the school for a year but have yet to earn 30 credits, to attend six to eight credit hours' worth of summer school.

Kelly said Asheville's program is a "smart idea" because it challenges the traditional academic calendar and gives juniors "a bit of a nudge to stay on track."

"Many of our institutions are interested in this and we're actively considering ways to leverage the full calendar," Kelly said. "Asheville is a really important test case." ■

https://www.insidehighered.com/digital-learning/article/2018/04/04/states-pursue-methods-reduce-burden-students-online-programs

Choice and Student Debt

BY PAUL FAIN // APRIL 12, 2017

Most students pay more for college than an affordability benchmark recommends, according to a new report, and some of the overspending is by choice.

Roughly two-thirds of undergraduates are paying more for college than is recommended by a common benchmark for affordability.

That's the top-line finding of a new report by higher education experts from three think tanks with a range of political perspectives, the American Enterprise Institute, the Manhattan Institute and New America.

The report attempts to answer the question of for whom is college affordable, and why?

Beth Akers and other experts at a 2015 Senate hearing on student debt

Its authors used a federal data set from 2012 that includes the tuition rates and fees, room, board and other expenses that full-time students nationwide spent to attend college. The researchers then compared that data to an affordability measure, dubbed the Rule of 10, that Lumina Foundation created in 2015.

That benchmark says students and families should pay no more for college than the savings they can accumulate by setting aside 10 percent of their discretionary income (earnings above 200 percent of federal poverty guidelines) for 10 years and with the additional income students earn from working 10 hours per week while enrolled, which would be roughly $14,500 for four years of work at minimum wage.

For example, a single working adult student with no children should expect to pay $6,460 in total for a degree, under the benchmark. But an upper-income family of four might be able to contribute $51,500, with any college students in the family chipping in another $3,625 per year.

The findings suggest that 68 percent of undergraduates overpaid, on average ponying up twice the recommended amount.

Student loans are not included in the price-based Rule of 10, because the benchmark represents what students and families should expect to pay out of pocket. Not surprisingly, the report found that substantial student loans are used to cover the net price of a college degree -- which averaged $54,092 across the data set. (Net price is the amount students actually pay, having subtracted non-loan financial aid.)

On average, students and families will take on $16,498 in debt to pay for 30 percent of the cost of credentials (both associate and bachelor's degrees), the study found. Students earn a similar amount, $16,248, while in college.

That means the remaining 40 percent, or $21,346, comes from somewhere else, such as savings, parents' earnings, other forms of credit and unreported support from friends or family.

"Combining student earnings and borrowing did not tend to cover the net cost of enrollment. Even after families contributed an amount equal to the level of savings recommended by the Rule of 10, the average shortfall was $2,510," the report found. "Students and their families are necessarily finding a way to finance this additional sum, probably by devoting more savings than is prescribed by the benchmark, or perhaps through using other forms of credit such as home equity or credit cards."

The report goes beyond aggregate numbers, however, in an effort to bring some nuance to discussions about college debt. It finds wide variation in expenses and borrowing when the data are broken out by family and student income levels as well as factoring in which type of institution a student attended.

For example, the wealthiest students typically pay the most to attend college. Dependent students from the highest income quartile spent an average of $92,341 for their degrees compared to the $38,841 paid by students from lowest quartile. That's often because wealthier students choose to attend more expensive colleges, the report said. (See chart, below.)

Income also heavily influences borrowing, but perhaps not in the way some would expect.

While the share of students with college expenses above the affordability benchmark declines as family income increases, the report found that the highest levels of student debt are taken on by students whose parents are in the second-highest income quintile (household earnings of $82,000 to $120,470).

These students, who could be classified as solidly upper-middle class, borrowed an average of $5,819 per academic year.

That's 44 percent more than the lowest-income students, who borrowed an average of $4,045.

Since relatively well-off families tend to have options for paying for college other than debt, the report's authors write that many cases of high-level borrowing may be driven by choice rather than necessity.

"People may be choosing to spend

FIGURE 3.

Annual Student Finances by Income*

		Sticker Price		Net Price		Total Loans	Grant Aid				Tax Benefits
		COA (Cost of Attendance)	Tuition	COA	Tuition		All Sources	Pell	Institutional	State	
Income Quintile	Less than $24,330	$20,909	$9,543	$12,070	$3,096	$4,045	$8,838	$4,059	$2,646	$1,157	$476
Income Quintile	$24,330–$50,617	$22,737	$11,220	$14,474	$4,576	$4,557	$8,262	$2,816	$3,327	$1,140	$1,108
Income Quintile	$50,617–$82,000	$23,826	$11,851	$18,006	$6,738	$5,751	$5,820	$481	$3,475	$772	$1,646
Income Quintile	$82,000–$120,470	$25,387	$12,941	$20,320	$8,460	$5,819	$5,067	$26	$3,541	$403	$1,642
Income Quintile	Greater than $120,470	$30,373	$16,916	$25,333	$12,388	$5,391	$5,040	$12	$3,652	$338	$1,290
	Independent students	$18,297	$7,382	$14,665	$4,591	$4,479	$3,633	$2,364	$503	$284	$871

more on college than they really have to," said Elizabeth Akers, a senior fellow at the Manhattan Institute and one of the report's co-authors. And since a college degree can be viewed as an investment, she adds that the choice to spend more is "not necessarily a bad thing."

Defining Debt

The report includes caveats about reading too much into using the Rule of 10 in assessing college affordability.

For example, the benchmark doesn't measure value or return on investment.

"The problem is that benchmarking affordability based on price alone is akin to a one-sided financial balance sheet -- one that displays only a company's liabilities and ignores its assets," the report said. "In this case, the liability is the price for the education, and the asset is the education and the future earnings that a student will gain from it."

A more telling measure, the report said, would look at college affordability with a value-based measure that factors in a degree's impact on long-run financial returns from more consistent employment and higher earnings.

In addition to benchmarking the up-front expenses of attending college, Akers said the new report is an attempt to clear away some of the confusion about the enormously complex issue of student debt.

More students are taking on loans. In 2000, the typical student covered 38 percent of their tuition and fees with debt, compared to 50 percent in 2013, the report said.

But not everyone agrees on how to look at debt, let alone how to deal with the problem.

For example, two years ago Akers talked about student debt at a hearing of the U.S. Senate's education committee. Senator Elizabeth Warren, a Massachusetts Democrat, took issue with Akers's testimony that the debt most students accrue is offset by graduates' higher earnings.

"It just seems to me, based on your research and on the Fed's research -- both of which show a substantial increase in debt loads -- that it is a serious problem," Warren said. "And I don't think it's responsible to sit here and claim that borrowers are, quote, 'no worse off' while people are still struggling to make much higher student loan payments than ever before and carrying their debt for much longer than ever before."

Warren's take was based on a human capital model of paying for college, Akers said, while Akers, an economist, had been focused on the liquidity issue.

"There are actually a lot of different definitions of affordability that are floating around the policy space," she said.

In the report, Akers and her co-authors try to set a clearer baseline for the up-front price of college. But they argue that a value-based framework is needed to truly measure affordability.

"Otherwise, financially advantageous educational opportunities will be passed over for opportunities with a smaller price tag, even when the prospects are worse," the report conccludes. ■

https://www.insidehighered.com/news/2017/04/12/students-tend-overspend-college-report-finds-often-choice

A University's Big Move on Socioeconomic Diversity

BY DOUG LEDERMAN // SEPTEMBER 7, 2017

Using funds from its endowment to expand financial aid, Boston University notches sizable increase in proportion of its freshmen who come from low-income backgrounds.

This is the time of year when every selective college or university worth its salt boasts about the academic credentials ("more National Merit Scholars than ever before!"), geographic reach ("students from 49 states and 37 countries!"), and, increasingly, the diversity of its freshman class.

One such announcement comes from Boston University today, and amid the many data points about its Class of 2021, one in particular stands out. With a single change in its financial aid policies -- wiping out all loan funds for any student eligible for a Pell Grant -- the private research university increased the proportion of its first-year students who qualify for the federal grants for low-income students to 18.2 percent this fall, from 14.6 percent a year ago.

The financial aid change and the roughly $25,000 investment per student was funded by a gift but represents a very purposeful decision by the university's president, Robert A. Brown, to use the institution's $1.7 billion endowment to drive the Pell percentage higher.

President Robert Brown speaks to Boston U's Class of 2021

"To accomplish this, we made a decision to accept less in the way of [financial] reserves," Brown said.

The Context

Racial and ethnic diversity have long been a goal for academically selective institutions, but the pressure on them to enroll and graduate more students from low-income backgrounds has been building in recent years, amid data showing that such students are hard to find on many of the campuses. Organizations like the Jack Kent Cooke Foundation and the new American Talent Initiative have upped the pressure, arguing that everyone benefits if more low-income students are directed to institutions where they have the best chance of graduating.

A decade ago, BU didn't really even qualify as a selective institution; in

2005, it accepted 68 percent of applicants, a figure that has since dropped to 25 percent. Its competitiveness has been driven significantly by international student enrollment, which has helped increase its ethnic diversity but done little to improve the socioeconomic heterogeneity of its undergraduate student body. BU's proportion of roughly 14 percent Pell-eligible students put it in the middle of the pack among the 270 selective colleges that graduate at least 70 percent of their students.

Bob Brown thought his university could and should do better. So this year, capitalizing on a gift by a trustee, Richard D. Cohen, BU altered its financial aid policy to eliminate any need for loans for any student who qualified for a federal Pell Grant. That loan total typically comes to about $25,000 or $26,000. Dozens of selective colleges eliminated loans for students below certain income thresholds a decade-plus ago, but BU was not among them; in some ways this represents the university playing catch-up.

Last year 14.6 percent of its freshman class, or roughly 530 students, were Pell eligible. This year the number climbed to 18.2 percent, or 635 students, based on the university's Aug. 16 estimate (the total won't be finalized until the census date in October). The percentage of American-born students who are Pell eligible is even higher, roughly a quarter of the incoming class.

The promise of no debt, Brown surmises, appears to have persuaded students who in the past might have forsaken BU to enroll at more generous (or less expensive) competitors instead.

"We figured if we could increase the number of Pell Grant recipients in our entering class, we'd see a bump in diversity and open up some new paths of access to Boston University," Brown said. "So we increased financial aid to meet full need -- without loans -- for most Pell Grant recipients. And it had an impact."

A Significant Uptick

Boston University is not among the 83 selective colleges and universities that have so far joined the American Talent Initiative, the Bloomberg-funded effort aimed at increasing the number of low-income students at the country's top-performing institutions. But officials associated with the initiative applaud BU's move and say they hope others will follow suit.

"We're looking pretty closely at how the higher-graduation-rate institutions are moving from year to year because of the talent initiative, and BU's increase is on the higher end of one-year increases," said Martin Kurzweil, director of the Educational Transformation Program at Ithaka S+R and a member of the effort's steering committee. "It moves them from about average for selective private institutions to significantly above average."

The way Boston went about achieving the increase is also important, said Joshua Wyner, vice president and executive director of the Aspen Institute's College Excellence Program and another ATI leader. One of the keys to increasing the number of low-income graduates (along with sourcing students from different places and embracing practices known to help retain such students) is prioritizing need-based financial aid over other forms of student support, "and clearly BU has done that," Wyner said. "This shows the leadership and resource allocation that's often necessary to accomplish that."

Enrolling more low-income students is only part of the equation if American colleges are to meaningfully improve the lot of students from the country's lower socioeconomic tiers, Wyner said. "You have to make sure they have access to all fields, including STEM fields, access to research opportunities and the kinds of high-impact practices we know help students graduate."

BU's track record on that count is good: federal data collected by the Education Trust show that the university graduates 83.6 percent of its Pell-eligible students in six years, just a percentage point below its overall rate of 84.6 percent.

One interesting (and perhaps unknowable) question is where the 100-plus low-income students who enrolled at Boston University this fall would have gone had they not been enticed there. The vision of the American Talent Initiative and others who want more needy students to enroll at selective institutions is that those colleges and universities give the students a better chance to graduate and succeed than they would have at colleges where fewer students finish.

But if an institution like BU increases its enrollment of low-income students mainly, say, by wooing students away from slightly less wealthy institutions, and those institutions don't then go out and enroll and graduate more low-income students, the overall situation for needy students in the country won't improve.

> You have to make sure they have access to all fields, including STEM fields, access to research op- portunities and the kinds of high-im- pact practices we know help students graduate.

"The shuffling of students across institutions without meaningfully increasing the number of those students is not progress," said Kurzweil of Ithaka. "What we're aiming for is to have the higher-graduation-rate institutions collectively serve, and serve well, many more low-income students. If that happens, we will have many more low-income graduates than in the baseline. It has to be a sectorwide movement."

But BU, he said, is a potentially heartening harbinger. ■

https://www.insidehighered.com/news/2017/09/07/boston-university-financial-aid-change-yields-sizable-increase-pell-eligible

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 overall. 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 costs, student borrowing and retention rates are under intense scrutiny. They ask the question of why more colleges and universities are not crafting their own fixed-tuition plans.

Of course it's not so simple. A deeper look shows fixed-tuition plans require a delicate balance between upfront 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.

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 freshmen as it will be when they are seniors.

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.

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 2007-8 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 tuition 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.

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," Reinoehl said. "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."

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

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.

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

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

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

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.

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.

"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.

"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."

> 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.

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."

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.

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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