

Making College More Affordable for Students

Sandy Baum

Kentucky Student Success Summit

April 2018

AMERICAN ACADEMY
OF ARTS & SCIENCES



THE FUTURE OF
**UNDERGRADUATE
EDUCATION**

THE FUTURE OF AMERICA

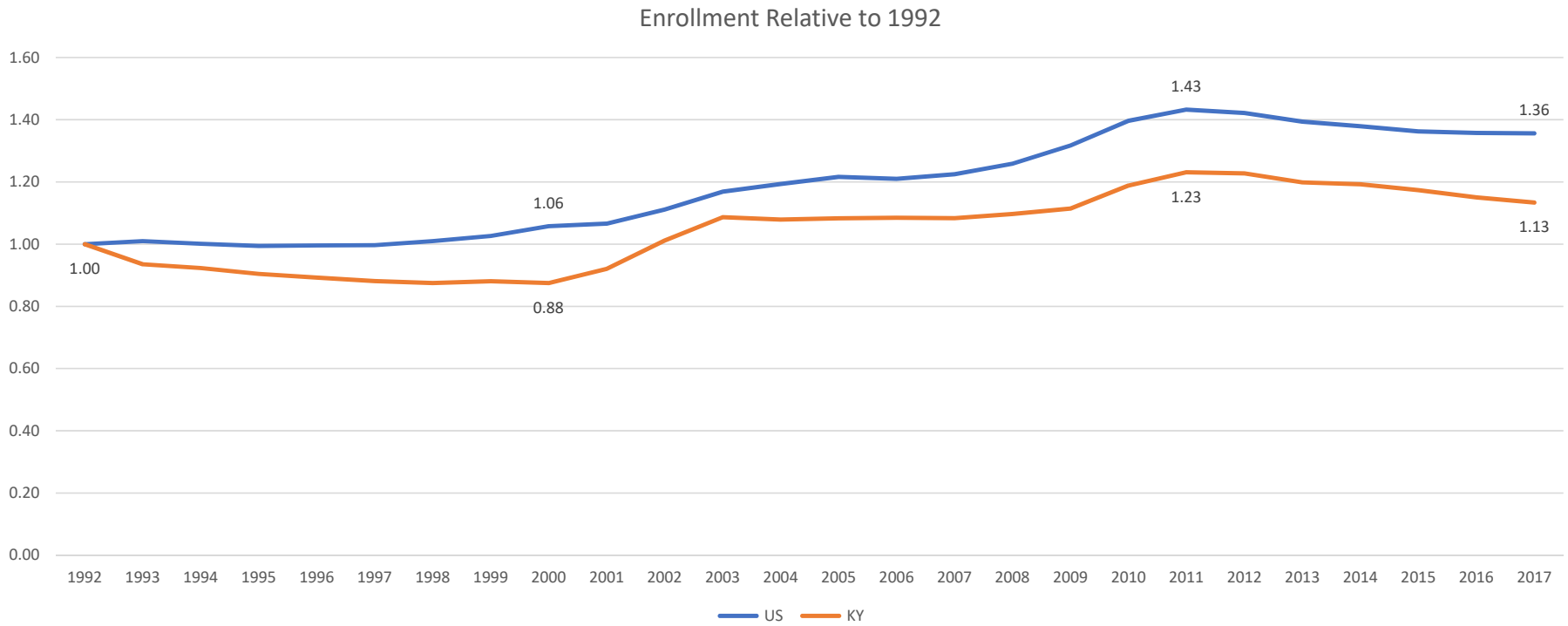
National Priorities

- 1) Strengthen the student educational experience
- 2) Increase completion and reduce inequities
- 3) **Control costs and increase affordability**

Increasing affordability

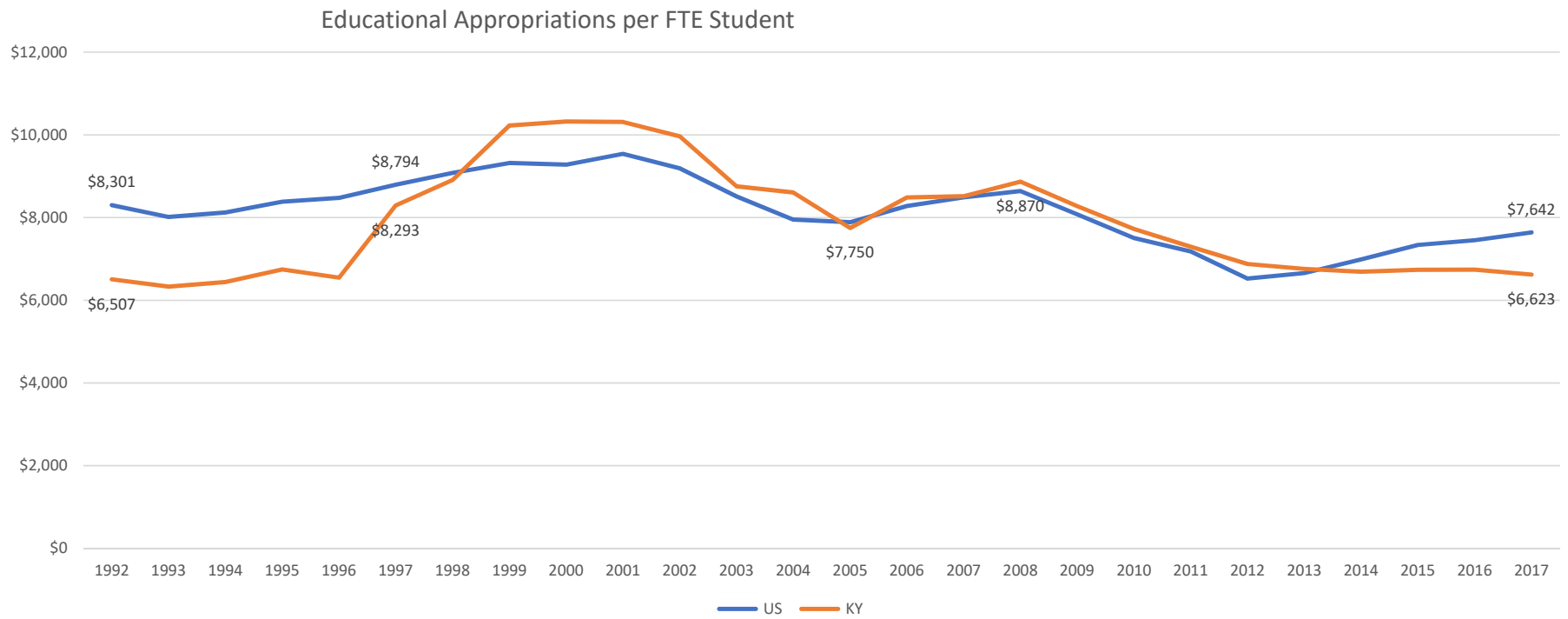
- Cost of education
- Sticker prices
- Net prices students pay
- Time to degree and completion
- Value

Enrollment: U.S. and Kentucky



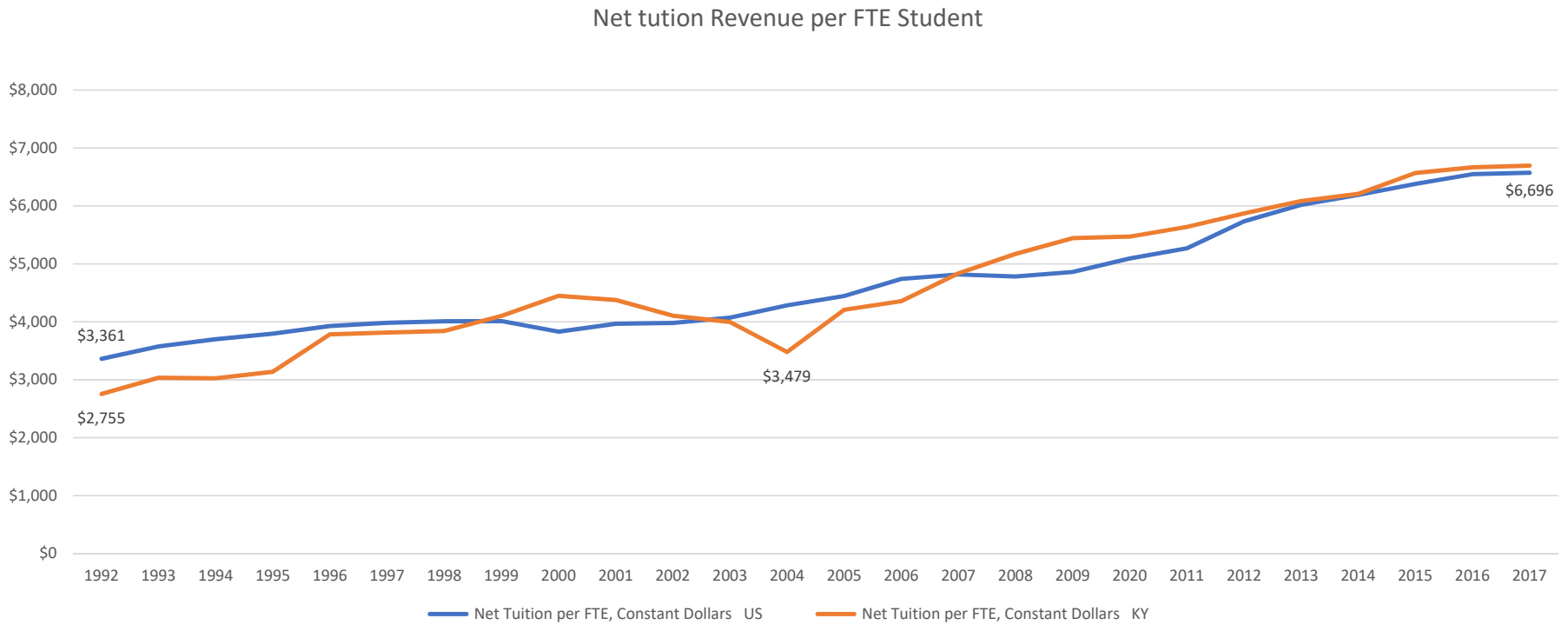
Source: SHEEO, SHEF Data

Appropriations per FTE student (constant dollars)



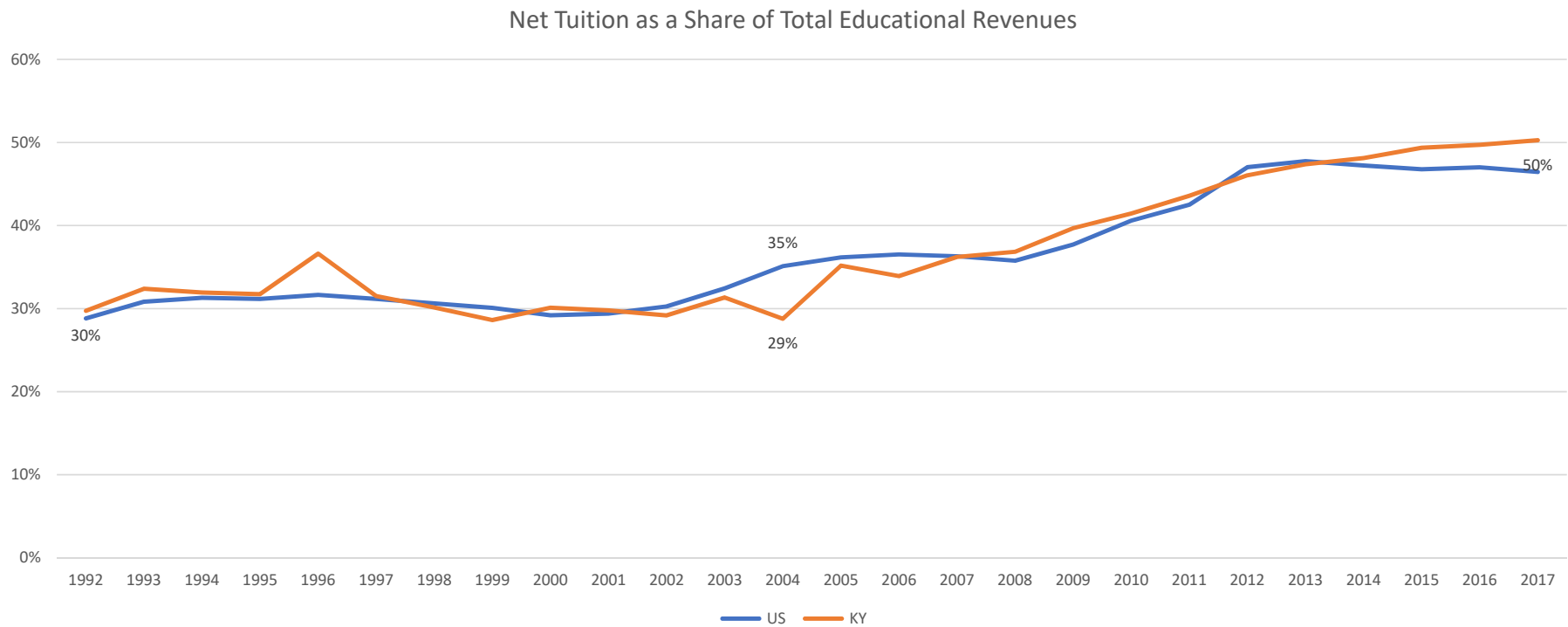
Source: SHEEO, SHEF Data

Net tuition revenues per FTE student (constant dollars)



Source: SHEEO, SHEF Data

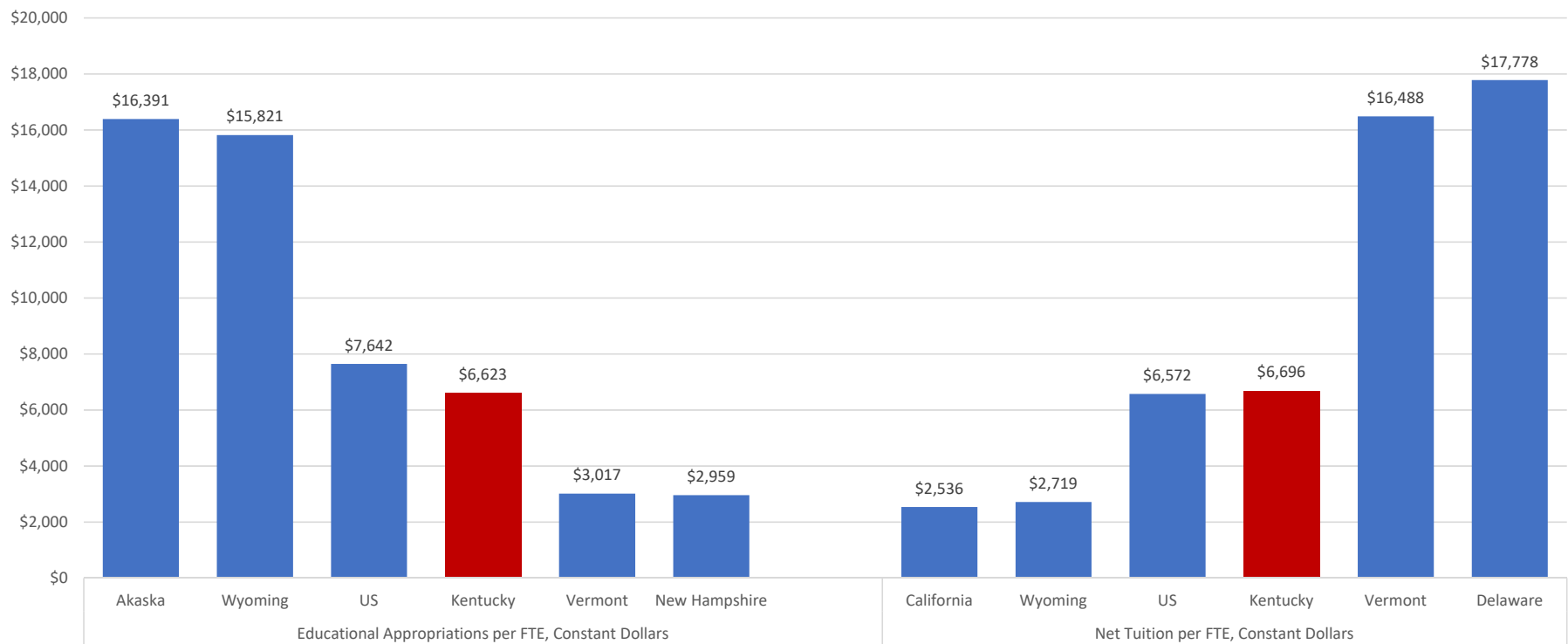
Student share (Net tuition as a proportion of total educational revenues)



FY2017	Wyoming	California	US	Kentucky	New Hampshire	Vermont
	15%	20%	46%	50%	79%	87%

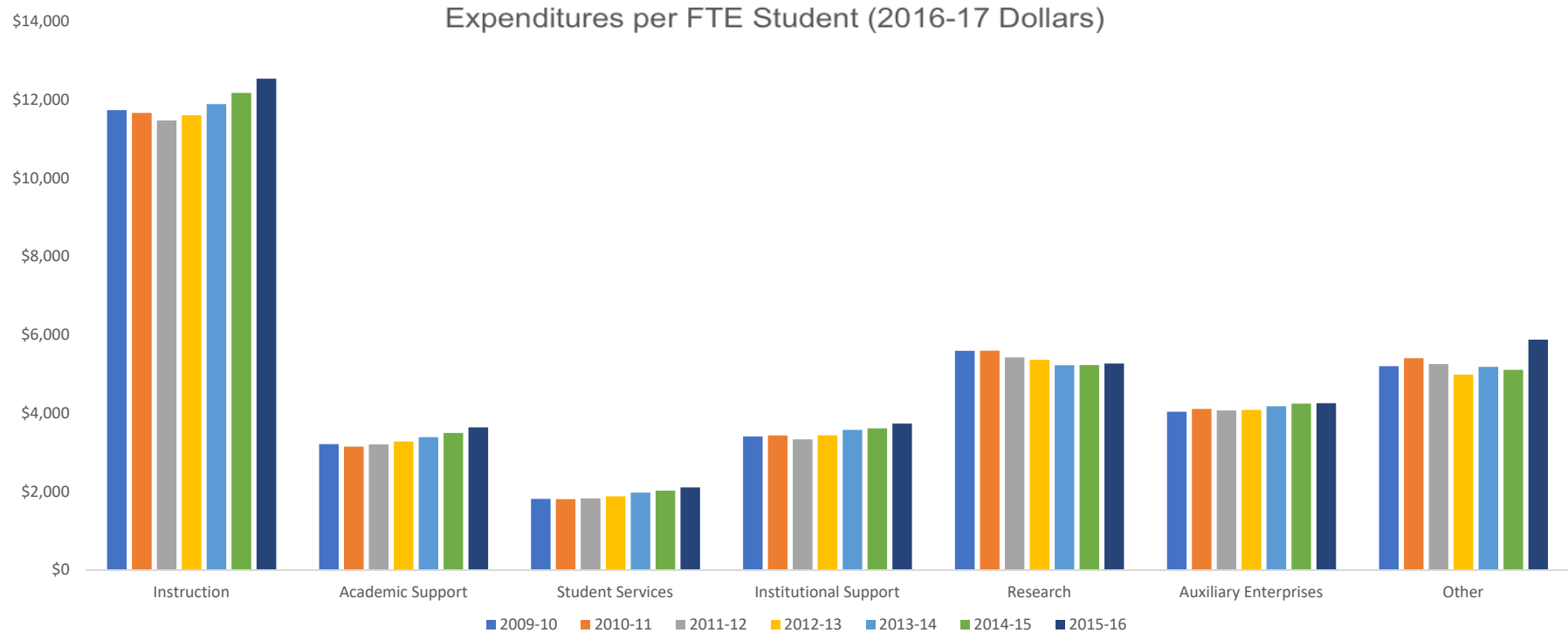
SHEEO, SHEF Data

Appropriations and net tuition revenue: Lowest, Kentucky/US, highest, 2016-17



Source: SHEEO, SHEF Data

Costs of educating students: Public four-year institutions, 2009-10 to 2015-16



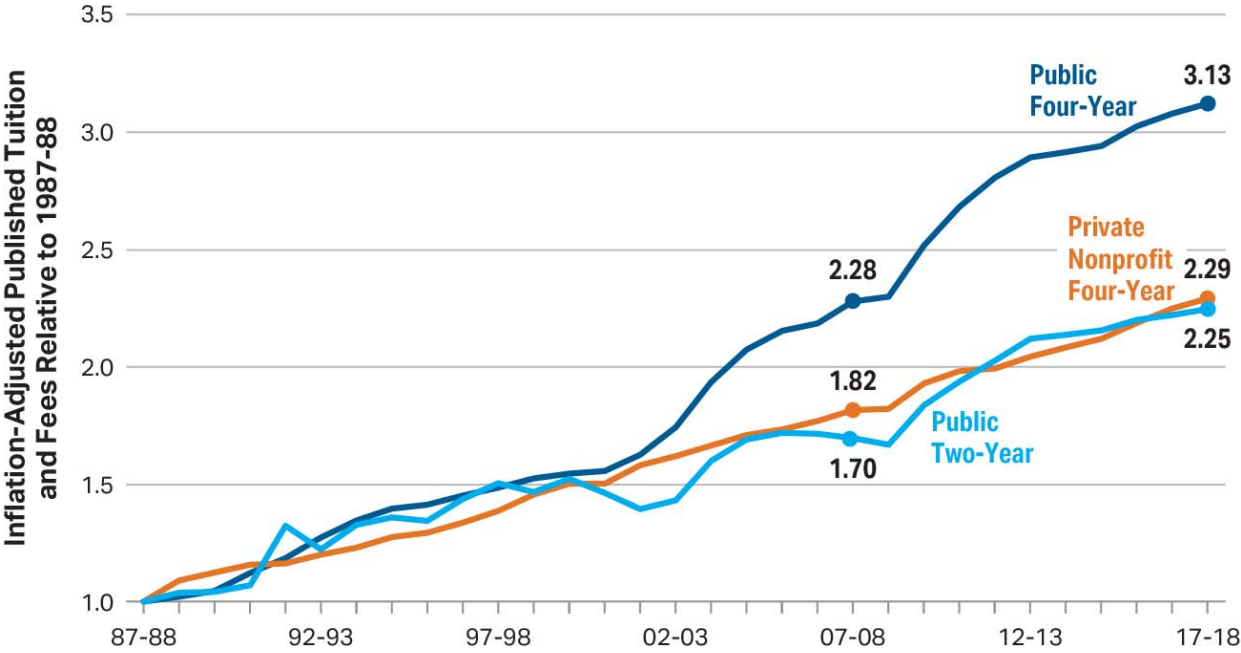
Instruction	Academic Support	Student Services	Institutional Support	Research	Auxiliary Enterprises	Other	Total (exc. Hospitals)
7%	13%	16%	10%	-6%	5%	13%	7%

Sticker prices

	Public Two-Year In-District	Public Four-Year In-State	Public Four-Year Out-of-State	Private Nonprofit Four-Year	For-Profit
Tuition and Fees	\$3,570	\$9,970	\$25,620	\$34,740	\$16,000
Room and Board	\$8,400	\$10,800	\$10,800	\$12,210	—
Tuition and Fees and Room and Board	\$11,970	\$20,770	\$36,420	\$46,950	—
	Public Four-Year	Private	Nonprofit	Four-	Year
	Doctoral	Bachelor's	Doctoral	Master's	Bachelor's
	Master's				
TF	\$10,830	\$8,230	\$42,920	\$29,960	\$33,450
RB	\$11,220	\$10,160	\$13,800	\$11,490	\$11,370
TFRB	\$22,050	\$18,390	\$56,720	\$41,450	\$44,820

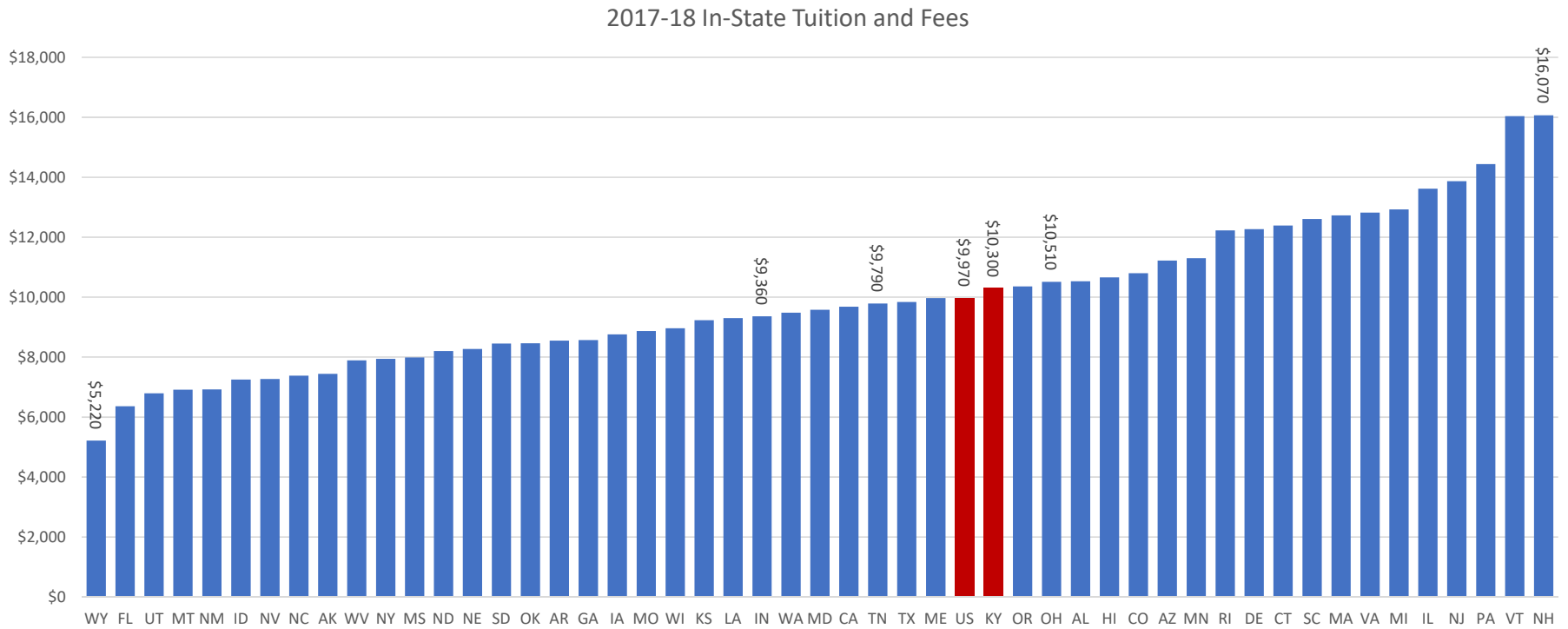
Source: Ma et al, Trends in *College Pricing 2017*, The College Board.

Inflation-adjusted published tuition and fees relative to 1987-88, 1987-88 to 2017-18 (1987-88 = 1.0)



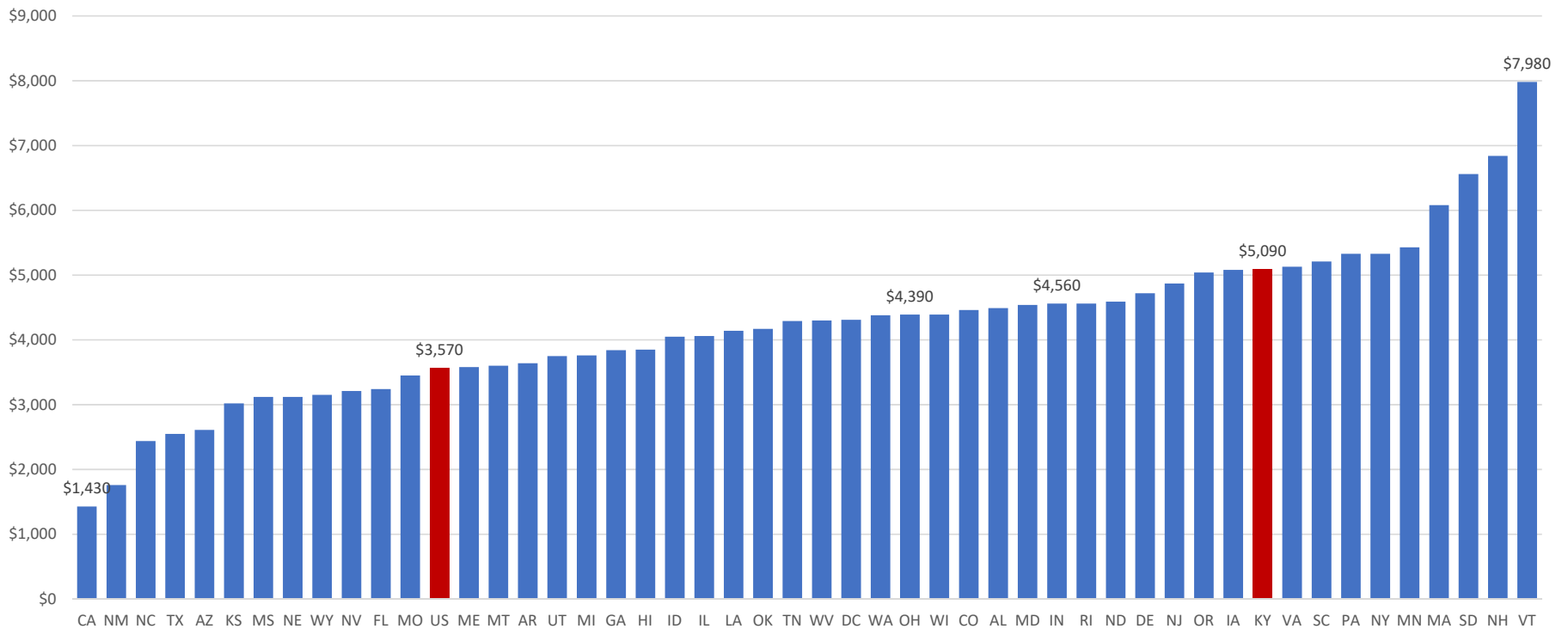
Source: The College Board, Trends in College Pricing 2017, Figure 4B.

Public four-year in-state tuition and fees, 2017-18



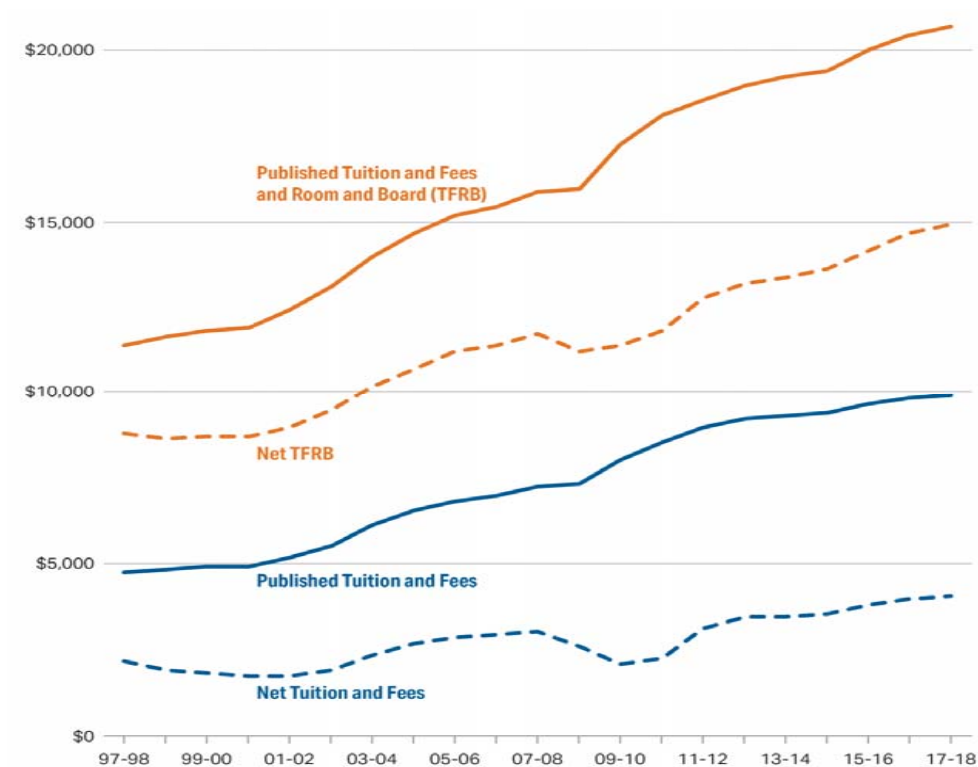
Source: Ma et al, Trends in *College Pricing 2017*, The College Board.

Public two-year college tuition and fees by state, 2017-18



Source: Ma et al, Trends in *College Pricing 2017*, The College Board.

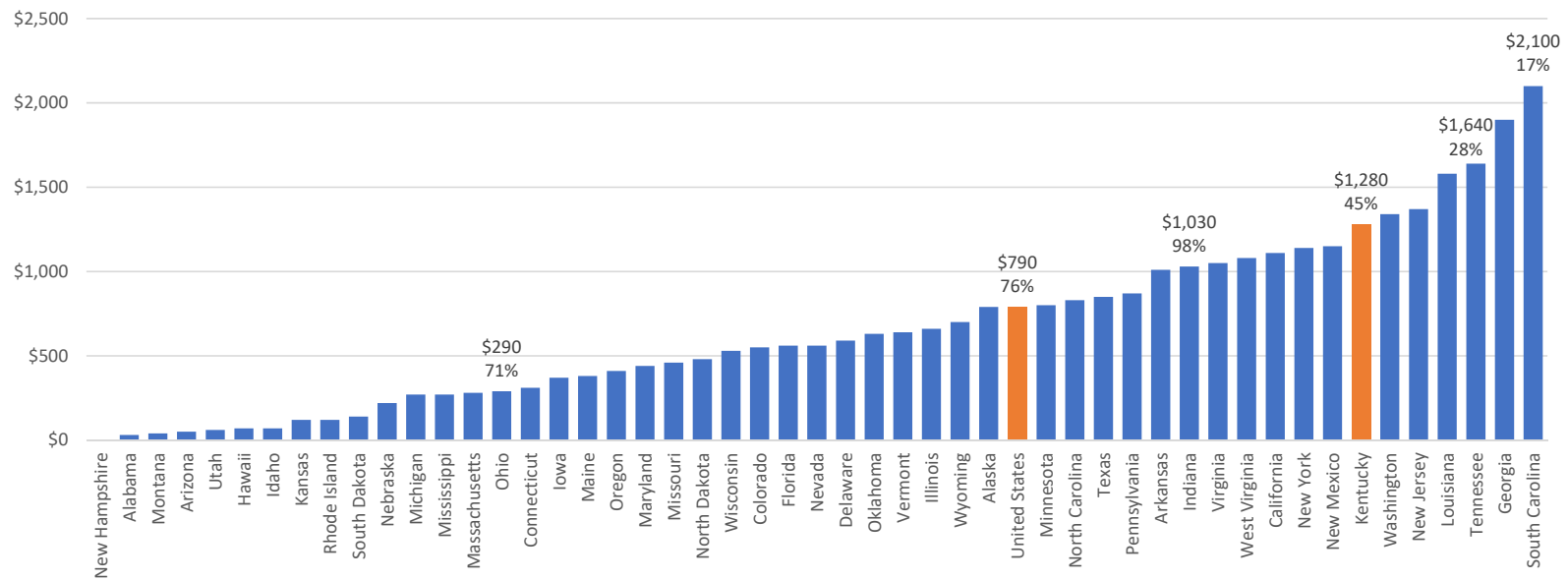
Average published and net prices in 2017 dollars, full-time in-state undergraduates, public four-year institutions, 1997-98 to 2017-18



Source: The College Board, Trends in College Pricing 2017, Figure 9.

State grant aid per FTE student, 2015-16

(Percentage need-based)



Source: Baum et al , *Trends in Student Aid 2017*, The College Board

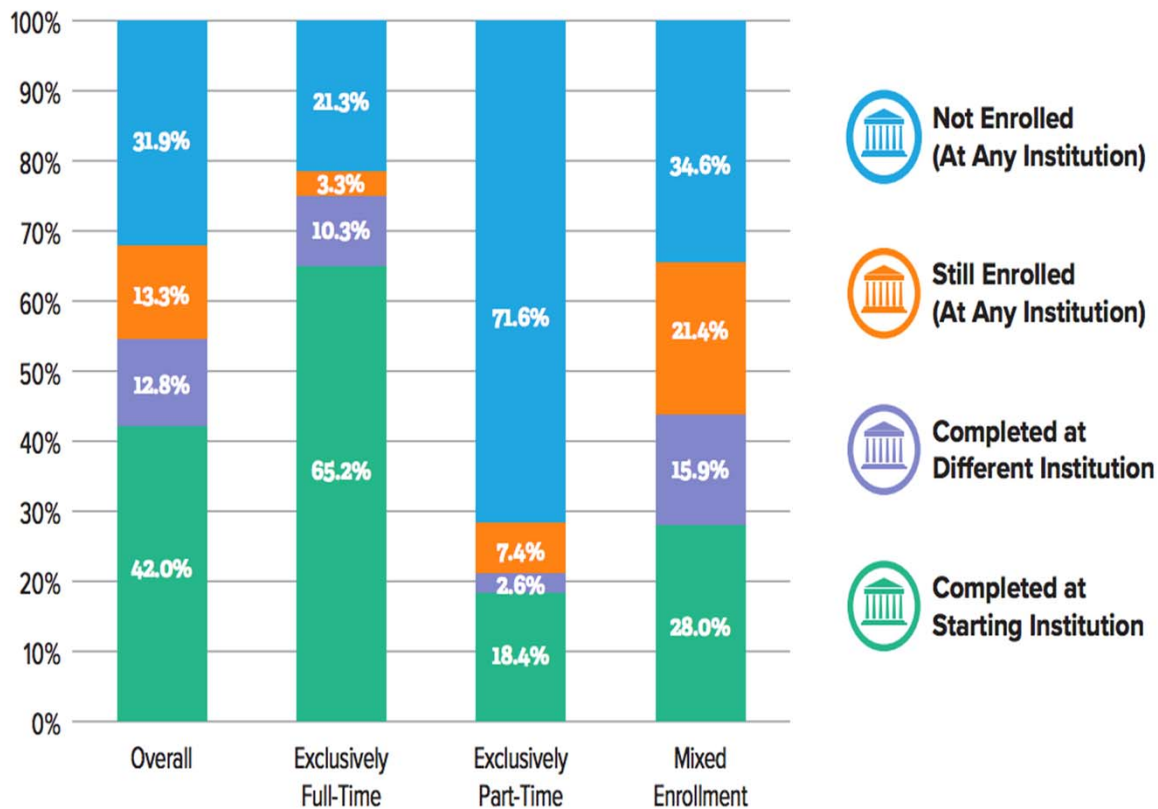
Completion

- Nearly 90% of high school graduates enroll in college at some point.
- After 6 years, 67% of four-year and 38% of two-year college students have completed a credential.
- About one-fifth of Americans 25 and older have some college experience but no degree.
- New study from NBER: Comprehensive case management: dramatic impact on completion. Money alone: no impact (Evans, Kearney, Perry, Sullivan)

What interferes?

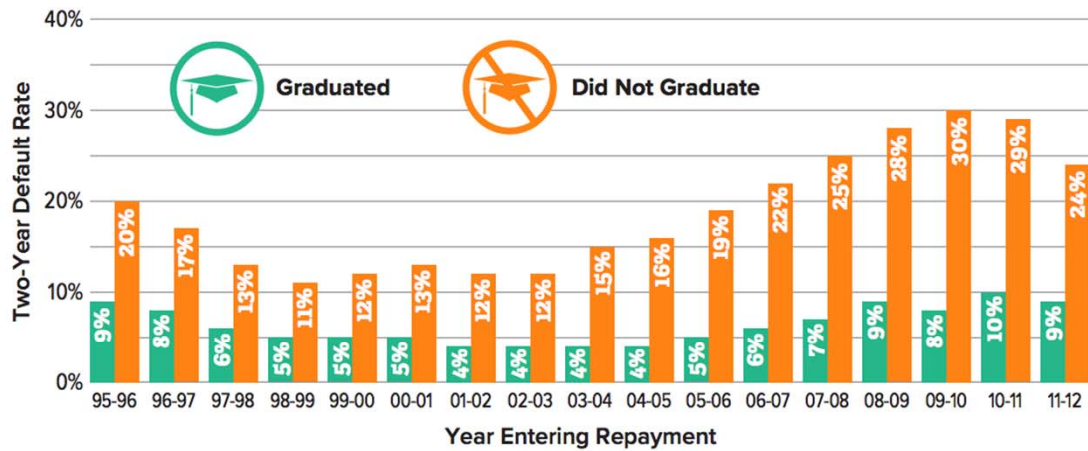
- Academic preparation
- Half of all college students are required to take developmental (remedial) courses that re-teach high school-level reading, writing, and math
- Family and work
- Financial strains
- Enrollment intensity

FIGURE C: Six-Year Outcomes by Enrollment Intensity (N=2,911,634)



SOURCE: D. Shapiro, A. Dundar, P. K. Wakhungu, X. Yuan, A. Nathan, and Y. Hwang, *Completing College: A National View of Student Attainment Rates—Fall 2010 Cohort* (Signature Report No. 12) (Herndon, VA: National Student Clearinghouse Research Center, December 2016), 16, Figure 5.

FIGURE I: Two-Year Student Loan Default Rates by Degree Completion Status: 1995–1996 to 2011–2012



Two-Year Cohort Default Rates, Borrowers Entering Repayment in 2011–2012

	Public 2-Year	Public 4-Year	Private Nonprofit 4-Year	For-Profit	All
All Borrowers	23%	9%	7%	18%	14%
Borrowers Who Graduated	17%	6%	5%	14%	9%
Borrowers Who Did Not Graduate	29%	18%	15%	28%	24%

Promising practices: CUNY ASAP

- Accelerated Study in Associate Programs
- Addressing financial burdens, inadequate advising and support, weak academic preparation
- Focus on students with minimal developmental requirements
- Meet full need, including transit passes, etc.
- Highly structured program
- Enroll full time
- Intrusive advising
- 3-year graduation rate 40% vs. 18% for control group

Promising practices:

Using data to understand, predict, and prevent problems

Florida State University increased 6-year graduation rate from 63% for 1988 cohort to 79% 20 years later.

- Institution-wide discussion and structures
- Detailed program mapping and investment in advising.

Promising Practices: Reforming developmental education

Placement

- Long Beach Community College added high school grades to determination of placement into remedial classes.
- Dramatic increase in placement into college-level classes, similar pass rates

Co-requisite instruction

- Community College of Baltimore County's (CCBC's) Accelerated Learning Program: large increases in college-level course completion.
- Several states, including Tennessee and Virginia, have expanded the use of co-requisite models and/or redesigned, shorter remedial course sequences.

Promising practices: Easing transfer

- **University of Central Florida:** Guarantees admission to graduates of Valencia College and 3 other community colleges; provides information; advisors upper level classes on Valencia campus.
- **Oregon:** Students who earn Associate of Arts Oregon Transfer degree meet lower division gen ed requirements of BA programs of any institution in Oregon University System. Students transfer with junior status.
- **New Jersey:** agreements between 2-year and 4-year institutions to allow seamless transfer of academic credits from completed AA or AS to BA program. Students who enter with associate degree granted junior status.

Recommendations

- Increase state funding and target it effectively
- Support cost-saving innovations that maintain or improve quality
- Provide strong need-based state grant aid
- Make timely completion a top priority
- Collect and use data to support completion efforts
- Create personal connections for students
- Create guided pathways
- Facilitate transfer of credits
- Improve pre-college education

Focus on value

- Affordability depends on value.
- College is an investment in the future.
- A low value education at a low price is *not* affordable.
- Moderate borrowing for an education that pays off well *is* affordable.