Why Does College Cost So Much?

The Illinois Board of Higher Education, based on a 2014 analysis that showed Illinois two and four year colleges becoming less affordable rapidly for middle and low income families, has focused its attention on the issue of college affordability. The Board has outlined a set of strategies to tackle the issue (Affordability Action Team Report) and the agency is in the midst of implementing those strategies. It is a multidimensional issue. However, today I want to take a step back and look at basic trends over the last decade or more to understand what underpins the affordability problem.

One of the, if not the, most credible annual report on higher education finances is the State Higher Education Finance Report (SHEF) published by the State Higher Education Executive Organization (SHEEO). It is developed directly from data provided by the states. The most recent report in 2015, shows the following for public universities across the country:

- In 2001 the total cost of a public university degree per full time equivalent student (FTE) including state appropriations and student tuition was $12,921.
- In 2001 approximately 70 percent of that cost was covered by state appropriation. Students picked up the remaining 30 percent of the cost.

- In 2015 (latest data available) the total cost of a public university four year degree including both state appropriations and student tuition was $12,972 (inflation adjusted) or $53 more.
- In 2015, the states covered approximately half the cost with the student picking up the other half.

This analysis clearly shows that what has changed most dramatically over the last 15 years is not the cost of higher education (at least at public universities) but who is paying for it. Imagine the increased attention health care costs would receive if when the $5000 bill for a short emergency room visit came due, instead of paying a few hundred dollars beyond insurance, the patient was asked to cover half of that cost. Undoubtedly many more questions would be raised.

Certainly much needs to be done on the affordability front including: more innovative use of technology and other practices by colleges that increase efficiency and effectiveness; analysis of current institutional cost drivers and implementation of strategies to contain them; improved financial literacy for consumers to ensure they find the lowest cost approaches to financing college; expansion of use of pathways programs; and better advising to ensure students complete their degrees on time and at minimum cost with no excess credits. However, if we do not acknowledge the impact of public disinvestment in public higher education on college affordability we are ignoring the elephant in the room.

A recent report from The PEW Charitable Trusts, documents that the federal government, not the states, is now the largest investor in higher education. This is due to dramatic increases in federal investment in PELL grants for low income college students, veterans’ benefits, research and other programs. However, that federal investment has largely supplanted declining state investments so that the nation has not seen a significant ROI for the federal dollars in terms of, say, more degrees granted.

The federal government should continue to grow its investment. A more educated workforce and citizenship is a national priority. However, states must have skin in this game too if we are to reap the benefits of increased education attainment: lower health care, criminal justice, and public
assistance costs; and increase per capita income and tax revenues invested to create a virtuous cycle of growth and improved quality of life. Over the period described above Illinois higher education has lost approximately a $1 billion in purchasing power in inflation adjusted dollars. For Illinois to reach its goal to have 60 percent of its workforce with a high quality college credential by 2025 it will require a federal, state, and institutional commitment to adequate funding and improved institutional performance. Each of the three legs of the stool are needed to create a stable, balanced, and successful economy and state.

As Illinois enters the next round of discussions this spring to address the needs created by the lack of a 2016 and 2017 budget as well as looking forward to 2018, hopefully we can have a data-based discussion on what it will truly take to provide equitable, affordable college opportunities to all Illinoisans in the interest of a successful state.

Personal Note

I wanted you to know that next month I will be leaving the IBHE to pursue other opportunities to serve American higher education. I want to offer my thanks to so many good people who have helped make my time here in Illinois rewarding.

My thanks to the talented and dedicated staff at the IBHE for the great work they do and to the Board members who hired and supported me. During our time together we have:

- Brought hundreds of thousands of dollars in grant funding to the state to support our state goal that 60% of Illinoisans will have a quality postsecondary degree or credential by 2025, from developing the early childhood workforce to improving college readiness, to increasing college opportunity for adult learners who so desperately need a college credential.
- Developed partnerships with numerous national organizations to support improvement in policy and practice.
- Dramatically improved our Higher Education Information System as part of the Illinois Longitudinal Data System, assisted by colleagues at ISAC, to inform data based decision to improve system performance. This includes a first ever connection with workforce data to track and improve career outcomes for college graduates, in partnership with IDES.
- Implemented an academic program review in partnership with our public universities to identify and improve the productivity of our system through increased majors and graduates for all programs.
- Developed supports for students impacted by the changing terrain of higher education as institutions close and accreditation issues roil. IBHE's commitment to consumer protection has never been stronger or more effective.
- Developed data-based priorities and implemented strategies to address the most important challenges facing Illinois higher education as part of the Public Agenda for College and Career Success: declining affordability, growing gaps for underserved students, and lack of opportunity for undereducated adult learners to attend college.
- Launched efforts to improve workforce outcomes for college graduates, improve service to veterans, and increase students’ abilities to access distance education options to complete their college degrees (i.e., leading the implementation of the new SARA program in Illinois).
- With colleagues at ICCB, developed and expanded a nation leading transfer effort that resulted in Illinois recently being ranked third in the country in numbers of community college graduates transferring effectively and earning bachelor’s degrees.

All of this has been done in partnership with the leadership of our colleges and sister higher education agencies. My thanks for their partnership. They all work tirelessly and creatively to protect our students, especially the most vulnerable during this very difficult time for Illinois higher education.

If you wish to contact me after February 15, 2017, please do so at jamesapplegate@gmail.com. I now look forward to finding opportunities to continue to partner with the great advocates and innovators across the globe that I have had the privilege to engage over the years as we work to fulfill the promise of higher education.
Analysis by the Illinois Board of Higher Education’s (IBHE) Information Management and Research provides context on outmigration of Illinoisans focusing on the residence and migration patterns of college freshmen into and from Illinois. Using trend data from the National Center for Education Statistics/IPEDS finds that the enrollment of Illinois residents at Illinois colleges is at a recent low, while enrollment of Illinois residents at out-of-state institutions is at an all-time high in 2014.

Illinois (16,623) currently ranks second to New Jersey (29,101) in terms of net loss due to migration. Eliminating the net loss would result in more than $215 million in additional tuition and fees revenue to Illinois colleges and universities (using the average tuition and fees for Illinois public universities, but not including the increased revenues to communities from other normal student expenditures for room, board and living expenses).

A second analysis includes data from the Illinois State Board of Education specific to three recent high school graduating cohorts and their enrollment patterns the fall semester following high school graduation (2013, 2014, and 2015). Of all the graduates from Illinois high schools from 2015 who went to four-year colleges, 45% or 18,165 students attended college out-of-state.

The rate of out-of-state enrollment has increased by 55% since 2002 and the number of outmigrants has increased by 50%.

IBHE will continue this line of research in the spring in further partnership with ISBE, integrating 2016 graduates into the analysis and disaggregating the results by race, ACT performance, and geographic location.

Western Illinois University is one of 11 colleges and universities from across the United States selected to appear in the U.S. Department of Education’s (ED) College Completion Toolkit, “Promising Practices for Improving Student Degree Attainment.” The toolkit features schools that are increasing college completion rates for students on their campuses through promising practices. “Assistance and Persistence: The Western Illinois Way” is featured in the toolkit, highlighting WIU’s programs and resources that contribute to student success. The ED reached out to President Jack Thomas in October, stating: “Your institution is doing impressive and inspiring work by increasing college completion rates for students most at-risk of not graduating. We are most interested in learning about your work to increase completion rates among students from low-income families, adults, or those from underrepresented racial and ethnic communities." Western’s submission highlighted the FYE program, University 100, Building Connections mentor program, and programming through Gwendolyn Brooks Cultural Center and Casa Latina.

“I am proud of the strategies we have in place that provide essential resources and opportunities for our students, many of whom are first-generation college students,” Thomas noted. “We must continue this commitment to ensure that future generations of students continue to achieve great things at WIU.”
The University Center of Lake County entered 2017 with five additional programs after action taken by its Governing Board in December. The five new degrees include three undergraduate and two graduate programs offered by five universities, Olivet Nazarene University, Southern Illinois University Carbondale, Eastern Illinois University, Benedictine University, and Northern Illinois University. Three programs will begin recruiting immediately in Lake County in hopes of launching during the spring term and the remaining two aim to start in the summer or fall terms of 2017. For more information about each program, visit the UCLC website.

The Education Commission of the States coordinated the creation and dissemination of a series of policy briefs focused on the interaction between state and federal level policies pertaining to higher education. These issue briefs are composed by a diverse collection of notable educational policy and thought leaders representing state and federal perspectives from both a public and private sector viewpoint. Topics include, but are not limited to, financial aid, data policies, the “triad” and workforce needs. One of the briefs was co-authored by IBHE Executive Director Jim Applegate, Wiping the Slate Clean: A new federalism for the 21st century student. This brief outlines the current structure of federal and state higher education policies and funding that emerged consequently. Included in the brief are policy and practice changes that address meeting college attainment goals and ensuring affordability for low and middle income students.

Increasing Affordability

The Illinois Board of Higher Education has issued its Fiscal Year 2016 Tuition and Fee Waiver Report. The agency is required to annually compile information concerning tuition and fee waiver programs provided by Illinois’ public universities. Waivers are typically awarded at the undergraduate level to students with special talents or special financial needs. Graduate waivers are typically awarded to students serving as teaching or research assistants.

- In FY 2016, public universities issued a total of 44,151 waivers at a value of $464.0 million, compared to 45,309 waivers in FY 2015 and a decrease in value of $1.7 million compared to FY 2015.
- Graduate waivers accounted for 74.3% of the value of all public university waivers. Nearly two-thirds of these waivers were for graduate assistants. These waivers enable Illinois public universities to remain competitive in attracting the best graduate students.
- Waivers for undergraduate students with athletic, academic, or other talents totaled $28.2 million in FY 2016.
- Illinois public universities waived approximately $26.7 million in tuition and fees for eligible military veterans that were not reimbursed by the state.

The complete report is available on the IBHE website.

ISAC Encourages Schools to Remind students to File 2017-18 FAFSA

Although the Illinois Student Assistance Commission (ISAC) has suspended the announcement of 2017-18 Monetary Award Program (MAP) grants to all students whose initial 2017-18 Free Application for Federal Student Aid (FAFSA) was received on or after December 22, 2016, the agency is encouraging schools to remind students that it is still important to file their FAFSA.

With the change this year to early FAFSA – the 2017-18 FAFSA became available on October 1 – some students who are accustomed to the application becoming available in January may not have filed the application. ISAC suggests reminding students that FAFSA results are used to determine eligibility for federal, state and institutional financial assistance. The suspension of 2017-18
MAP award announcements does not impact any other financial aid programs, so students who have not already done so should still submit an application.

Students can check out the Students & Parents – Applying for Financial Aid area of the ISAC website for information regarding resources that are available to help them complete the financial aid process.

ISAC continues to monitor 2017-18 MAP application volume and projected claim rates. If future analysis indicates that a partial release of awards from suspense status is viable, the agency will communicate that information to the financial aid community as soon as it becomes available.

The State Universities Civil Service System is implementing a furlough program that provides the parameters allowing each university/agency to make an independent determination as to whether a furlough program will be implemented. A new rule, effective in mid-December, 2016, was developed to provide employers/employees with a tool in continuing to deliver student services, with the goal of ultimately eliminating the need for layoffs, or at least to potentially reduce the number of layoffs.

For any employee subject to the provisions of a collective bargaining agreement, standard contract negotiations will be required prior to implementation of a Furlough Program. Employees that are not represented will be subject to standard university/agency protocols.

Highlights of the program include:

- A furlough is defined as the placement of an employee in a non-pay, non-work status for a designated period of time. Furlough days can be taken over multiple pay periods based on designated criteria.
- Employees cannot use accrued benefit time during a furlough period.
- There is a maximum of 15 furlough days per fiscal year.
- Prior to implementing a Furlough Program, employees must be provided a minimum of 30 days’ notice.
- An employee who is designated for furlough will retain all standard benefits during the furlough period.

University/agency management will be required to provide status reports to the State Universities Civil Service System which shall include any additional furlough or cost cutting programs that would apply to campus administrators, Principal Administrative Appointments (PAA), and faculty. The rule includes a sunset provision of September 30, 2017. If necessary, the rule can be revisited at any time. The rule applies to all Civil Service employees covered by the State Universities Civil Service Act [110 ILCS 70]. Specific elements of the program can be found at the University System website at the www.sucss.illinois.gov.

Increasing Adult Degree Completion

Illinois colleges’ faculty and staff are invited to attend a free military prior learning assessment training session this February hosted by the Council for Adult & Experiential Learning (CAEL) in collaboration with the Illinois Board of Higher Education and the Illinois Community College Board. Veterans gain valuable knowledge and skills while in the military. As recently underscored by the statewide Military Prior Learning Assessment (MPLA) Task Force, Illinois is committed to recognizing military learning for college credit when appropriate to avoid wasting time and resources for student veterans. It is critical that Illinois faculty members gain familiarity with MPLA methods so they can engage in the development and oversight of effective policies and practices at their institutions.
Mike Stieff, associate professor of chemistry and learning sciences at the University of Illinois at Chicago, has been awarded an Alexander von Humboldt Foundation Research Fellowship for the spring semester. The competitive fellowships are granted to experienced foreign scientists and scholars from around the world for an extended research period in Germany. Stieff’s research in UIC’s Learning Sciences Research Institute examines how science students use mental imagery to solve spatially complex problems and seeks to understand the relationship between a student’s spatial ability and science learning. In Germany, based at the Leibniz-Institut für Wissensmedien (IWM) in Tuebingen, he will examine sketching as a means to promote learning from digital media and explore the underlying mechanisms by which sketching improves learning.

The University Center of Lake County Governing Board has added members and elected officers. Wesley Lindahl, Nils Axelson Professor and Dean of the School of Business and Nonprofit Management at North Park University, now serves as Chair. Former State Representative Kathy Ryg serves as Immediate Past Chair. Tim Perry, Market President, State Bank of the Lakes, now serves as Vice-Chair. Jackie Tompkins, Controller, Business Development, External Affairs & General Counsel, AbbVie, now serves as Treasurer, and Anne Kaplan, Northern Illinois University’s Vice-President of Outreach, Engagement and Regional Development, now serves as Secretary. Two new members, P. Denise Cobb, Interim Provost of Southern Illinois University Edwardsville, and Carol Reiseck, Assistant Dean of Concordia University Chicago’s College of Innovation and Professional Programs were elected to two-year terms of membership.

Upcoming Events

The Illinois Council on Continuing Higher Education (ICCHE) and the Association for Continuing Higher Education (ACHE) 2017 conference will take place at the Chicago DoubleTree Magnificent Mile from February 8-10, 2017. The conference theme is "Persistence, Perseverance, and Success in Continuing Education" and is promoted to professionals at colleges and universities throughout the Midwest. Don’t miss the opportunity to learn from leading experts in higher education!

Registration is now open and requested by January 16th. Click here to register.
The Lincoln Academy wants to know what past Laureates have been up to since being named the Lincoln Academy of Illinois Student Laureate. Please call 217.785.5030 or e-mail Julie Kellner to share your story!
In Case You Missed It

A few articles and reports worth the read:


**MySuburbanLife.com**: Local colleges continue to struggle with uncertain state funding, January 3, 2017.


**West Frankfort Gazette**: Basketball star's future burns brighter because of JALC, January 4, 2017.

**SaukValley.com**: Free Sauk tuition will be reined in this fall, January 9, 2017.

**Inside Higher Ed**: Overburdened with debt, January 10, 2017.