

Remarks

Massachusetts State Association. November, 2013

“Focus Forward!”

Introduction:

- (Appropriate introductory comments)
- The fall of 2013 is really a fascinating time for this conversation. In some ways, I’m reminded of Charles Dickens’ famous line when he said “It is the best of times. It is the worst of times. We had everything before us. We had nothing before us.”
- It’s difficult to give you any kind of a Washington update that doesn’t begin with bad news:
 - Government’s inability to get its work done on time.
 - The Department’s focus on Gainful Employment 2.0
- We are working hard to change the voice of APSCU, and the image of the sector, from one of automatic defensive and re-active communications to one that is pro-active and positive. We think we have a lot to tell; and it’s a good story.

- This fall, knowing that Gainful Employment 2.0 was heading our way we created a fall communications offensive. It includes:
 1. APSCU Return on Investment white paper, which will become a brochure
 2. Best Practices on:
 - Career Services;
 - Veterans Education
 - Recruitment and Admissions; and
 - Financial Literacy
 3. Positioning of December Workforce Symposium to build the sector's image as the bridge between education and employment.
 4. Position APSCU as positive workforce thought leadership in commentary/opinion pieces or websites – especially on the emerging skills gap.
- During the past two years, we have worked hard to move APSCU and this sector from a position of defensive and re-active messaging to positive pro-active communications and actions. We cannot allow the Neg-Reg Process – no matter how distasteful – to prevent us from establishing this sector's mission, role and results in the most positive light.

Federal Policy is Not Keeping Up:

- Two weeks ago the APSCU Board of Directors gathered in Chicago to begin work on a New Strategic Plan. In preparation for that time together I shared with the Board papers on the following topics:
 - The Future of Postsecondary Career Education
 - The Future of Membership Associations
 - The Future of Proprietary Education; and
 - The Role of Technology in Postsecondary Education Delivery.

- Of interest to most of you in this audience, Louis Soares, a consultant to the American Council on Education wrote a paper earlier this year titled “Post-traditional Learners and the Transformation of Postsecondary Education.”

- He wrote: “To keep its competitive edge in the global, innovation-based economy, the United States needs to increase the number of Americans that possess postsecondary levels of academic and applied skills.” He went on to write, “The simple fact is that our traditional system of two- and four-year colleges and universities with their campus-based, semester-timed, credit-hour driven model of instructional delivery is not well-suited to educate post-traditional learners.”

- And Soares suggests the new higher education system will demand:
 - Modular, easy-to-access instruction
 - Blended academic and occupational curricula
 - Financial, academic, and career advising, and
 - Public policy that reflects the complex task of balancing life, work and education.

- To get some sense of the failure of the federal government to keep pace with the changing times, take a quick look at their Draft proposal presented to the Negotiated Rulemaking Committee on Gainful Employment. In summary:
 - It seeks, for the first time, to define quality solely by comparing one's Title IV loan debt to one's earnings 2 to 3 years after completing a program. It totally ignores standard economic analysis which would focus on lifetime benefits compared to lifetime costs.
 - It seeks to have the federal government review no less than 11,359 programs – with estimates that a possible 2,000 programs serving over 200,000 students may fail!
 - And in classic Departmental bureaucracy, they propose to judge any program with 10 or more completers using earnings data from 2011 – the height of the recession.
 - They hold institutions accountable for all Title IV debt taken on by students even though institutions have no control over borrowing amounts. The ability to limit borrowing is one of our requested changes during reauthorization.
 - They give no consideration to macro-economic conditions or the demographic profiles of the students served. There is no recognition of national, regional and local economic conditions, including high unemployment or underemployment.
 - The failure to consider student demographics is even more astounding considering the President, when announcing his

new institutional rating system, made specific mention of the need to consider the number of low income students served by an institution when establishing any sort of rating system.

- Lastly, the rule only considers Title IV recipients in the calculation. The idea that graduates not receiving Title IV aid can be disregarded when measuring the quality of an academic program is ridiculous and such a proposal flies in the face of the 90/10 rule which you have to live with every day. People on Capitol Hill are well known for justifying the 90/10 rule with the explanation that quality programs will have no trouble attracting students willing to spend their own money. Unfortunately, under the proposed rule, those students who are willing to spend their own money will be completely ignored when the Department of Education decides if your program is of acceptable quality. These are just a few highlights of why this proposed rule is simply bad and of course, it still doesn't apply to all of higher education.
- The first session of negotiated rulemaking ended on September 12th. I think it is safe to say it was somewhat chaotic with everyone talking and often about topics unrelated to gainful employment. You should know that unlike previous sessions, the gainful employment negotiations were shortened to 2 sessions instead of the usual 3 sessions. The Department has obviously recognized this is a problem so they held an additional negotiating session via conference call.
- With the government shutdown the October 21 to 23 will be delayed, probably to November.

- We will then wait for the Department to publish a notice of proposed rulemaking for public comment.
- Because of the master calendar provision in the HEA, anything that is published in final form by November 1, 2014, will go into effect on July 1, 2015 so this process will take some time to complete.

(My message of two weeks ago to the membership)

- To appreciate the challenges (or should I say inability?) Congress faces, consider the following roadmap to education policy in this country:
 - The ESEA was last reauthorized in 2001
 - The WIA was last reauthorized in 2003
 - The Perkins Vocational Education Act was last reauthorized in 2006
 - The Higher Education Act was last reauthorized in 2008.
- Consider this:
 - It took Congress ten years to reauthorize HEA (1998 – 2008).
 - The legislation was 1, 158 pages long.
 - It was designed to leave a lasting imprint on American Higher Education; holding colleges and states accountable for skyrocketing tuition; reigning in student loan abuse; help students make better decisions; with shorter application forms and a slew of new disclosures.
- Between 2008 and 2013:
 - State higher-ed spending decreased by \$9 billion
 - Per capita public support at public colleges decreased by 25% over past decade
 - Average tuition and fees at 4-year public universities increased by \$2,000

A Revolution is occurring in Higher Education:

- When Mitch Daniels was selected as the new President of Purdue University, I sent him an email with the message “Welcome to the Revolution.” For we really are living in the ten most exciting years of higher education change in our lifetimes.

- Listen to this description, coming from NCES, in describing today’s postsecondary students:
 - Traditional Students represent only 15% of current undergrads
 - The remaining 85% are comprised of the following:
 - 38% are over the age of 25; ¼ over the age of 30.
 - The share of students over 25 is projected to increase another 23% by 2019.
 - The average age of a Pell Grant recipient (26) has been rising for the last 20 years.
 - Nearly ¼ of postsecondary students in the US (3.9 M) are parents. Half are married.
 - 40% of all undergrads and 60% of those attending 2-year colleges are enrolled part time!

- In June of this year, Jamie Merisotis, President of Lumina Foundation discussed the future of Postsecondary education in a speech to the National Forum on Education Policy. He said:
 - “Increased college attainment Refers to all forms of post high school or postsecondary education, not just four year degrees.”
 - “Put simply, we need a fully linked system for developing human capital. And the fact is, we’re just not there yet. We need a redesigned system, one that is flexible, affordable, and quality-focused to properly serve the needs of students, employers, and society at large.”

- “It must be a student-centered system –one that ensures access to all types of students, gives those students the support they need to succeed, and enables them to earn credentials that demonstrate real and relevant learning.”
- There is a programmatic revolution in higher education:
 1. All of Higher Education today must have a career focus. And this is our legacy!
 2. There is a growing focus on serving low-income students. And these are our students!
 3. Outcomes now matter for all of higher ed. With National accreditation, we’re already doing it!
 4. The use of for-profit MOOC delivery by nonprofit institutions of higher ed are removing the debate about one’s organizational or tax structure.
 5. We can’t meet the Skills Gap w/o this sector playing an important role (14% of current students attend our schools).

The Impending Skills Gap:

Two thoughts should define our sector's communications, marketing and branding:

1. Our schools deliver postsecondary education with a focus on both academics and career skills.
2. There is a growing skills gap in America; and our schools should be seen as the nation's best solution in addressing this skills deficit.

- Consider the following:

- 55 million new workers will enter the American workplace by 2020.
- 32 million will replace retiring baby boomers.
- 23 million will fill jobs that don't even exist today.

Of those replacing baby boomers, 65% will require some level of postsecondary education and skills.

- Of those filling the new jobs, 85% will require some level of postsecondary skills.

- Here in Massachusetts:

- Your 70 proprietary colleges serve 34,000 students
- 63% are women
- 18% are African-American
- 18% are Latino
- 53% are women
- 68% are Pell Grant recipients

- You provide career skills that meet:
 - 90% of culinary
 - 89% of Mechanic/Repair
 - 73% of construction trades
 - 28% of health professionals

A recent set of data produced by The Georgetown Center for Education and the Workplace shared that in 2010, 40 million jobs in America required an occupational certificate or AA degree.

- By 2020, their study projects that 49 million jobs will require this same level of postsecondary education and skills.
- That's a growth of 9 million new workers with this level of postsecondary skills in 7 years! That's like "over a million new students each year!"
- With the cap on public sector resources, our Community Colleges simply do not have the resources to expand in ways that can meet this demand.
- This isn't about us. But, we're the only sector capable of designing and delivering our programs in ways that meets this growing demand.

But this is not about us. It's about the Nation, and our Citizens:

- As I travel the nation, and speak on this topic, I often make clear that my remarks are not really about policy or politics. They are really at the center of what America represents as a nation. This is more a moral and value question than a political debate.
- There is a great debate in America about the declining middle class. Some of you note that I've written a bit about that topic!

- But, this isn't about income in-equality, it's all about upward mobility!
- It's about Economic Opportunity:
 - In 2010, the Census Bureau made clear that education attainment defined incomes:

-Less than High School:	\$25,705
-High School:	\$35,035
-Some College/AA Degree:	\$42,419
-BA or more:	\$55,864
 - Georgetown Center has projected this income divide:
 - In 1980, a worker with a BA earned 40% more annually than a High School grad
 - in 2010, this differential grew to 74%
 - By 2025, it is projected to grow to 96%!
- But this isn't just about income, it's also about opportunity for all Americans:
 - The Education Divide (AA Degree or Higher):

-Asian:	56%
-White:	38%
-African-Am:	24%
-Hispanic:	18%
- And this is where a changing nation is challenged globally:
 - The US ranks 2 in attainment of BA degrees.
 - The US ranks 16th in attainment of AA degrees!

Reauthorization:

- Some of the highlights include:
 1. We call for year-round Pell – in order to assist students in completing their degrees asap.
 2. We encourage making Pell available for short-term training programs.
 3. We simplify the student loan programs
 4. We simplify the loan repayment process through an automatic IBRP for every student, similar to Australia and Canada.
 5. We modify the FWS program so students do work in their area of study!
 6. We encourage policies that facilitate student credit transfer, to enable a student to complete their studies quicker.
 7. We call for risk-based common outcomes metrics, using the NGA’s Complete to Compete Proposal.
 8. We reform IPEDS to a new system that accurately reflects the diversity of today’s students!

In Summary:

- Where are we, in the fall of 2013?
- It is tempting to focus on Gainful Employment 2.0.

As I share with folks not in our sector, this is government regulation run amok!

- When I was in Congress, the hardest thing I had to explain to my Congressional Colleagues was ‘Ice Fishing’ on a lake, through a hole in the ice with a shanty covering you and a fire keeping you warm!
- Imagine trying to explain to middle America GE 2.0:

-The federal government in Washington intends to review 11,359 different courses offered by school across the nation

-That's education policy in 2013~

- While we may think it is all about GE 2.0, it's much bigger (and better) than that!
- We are a nation in need of skilled workers
- We have a postsecondary system that is both tapped out of public resources, and without the traditions to engage postsecondary academic education with career skills.
- We have a nation seeking a new roadmap for a new middle class.
- We have a nation with an increasingly diverse workforce every year.
- There is one sector ready, willing and able to respond.
- Yes, HEA Reauthorization would be nice.
- But, we remain the one sector ready and able to meet the needs of the workplace and the dreams of a new workforce.
- So, we can and we will "Focus on the Future!" That is our task, our mission, our calling! We cannot let the government get in the way of this important work.

Thank you – for who you are and all that you do.