Keeping College Within Reach: Improving Access and Affordability through Innovative Partnerships

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I am providing this testimony because I am worried. I am worried about the plight of small private liberal arts colleges in America. I am afraid many are going to run out of money, reach insolvency, fail the federal financial responsibility audit, close their doors, or be swallowed up by large state universities as satellite campuses over the next several years. If this happens, if small liberal arts colleges continue to struggle to the point of insolvency, we will lose one of the greatest educational assets this country has. Many of our national leaders graduated from private colleges and universities including over half of the U.S. House of Representatives. (219 of 435) Private colleges offer students a different type of education, an education where students can get tremendous amounts of personal attention and where faculty are committed to "teaching first." Many students who would fall through the cracks of large lecture halls at huge public institutions will lose the option to enroll in places where professors take attendance in class and will take the time to pull students aside after class if they are falling behind in their work. Many students need this type of environment in order to graduate. Without this option they simply will not earn a college degree.

Additionally, small communities in which these colleges are located will lose the largest economic engine they have to supply the prosperity, jobs, and cultural activities to the businesses surrounding the college. Many restaurants, bookstores, markets, and small retailers rely on college students and their guests to spend money in their establishments to stay afloat. The loss of a college not only hurts educational options for students, it severely impacts the surrounding community. The loss of students and their disposable incomes is compounded when the highly educated workforce that is required to teach and administer an institution is gone. These individuals and their families fill the K-12 buildings in a town as well as buy homes and attend cultural events. When a community loses such people, the effects that ripple throughout it are hard to calculate.

My anxiety is not without merit. During the past ten years more than 30 institutions shut their doors for the final time, terminated their faculty, and told their students to transfer to other schools. This list includes:

- Barat College (Lake Forest, IL)
- Beacon University (Columbus, GA)
- Bethany University (Scotts Valley, CA)
- Bradford College (Haverhill, MA)
- Cascade College (Portland, OR)
- Chester College (Chester, NH)
- College of Santa Fe (Santa Fe, NM)
- D-Q University (Davis, CA)
- Dana College (Blair, NE)
- Eastern Christian College (Bel Air, MD)
- Far North Bible College (Anchorage, AK)
- Kelsey-Jenney College (San Diego, CA)
- Lambuth University (Jackson, TN)
- Lon Morris College (Jacksonville, TX)
- Marycrest College (Davenport, IA)
- Marymount College (Tarrytown, NY)
- Mary Holmes College (West Point, MS)
- Mount Senario College (Ladysmith, WI)
- New College of California (San Francisco, CA)
- Notre Dame College (Manchester, NH)
- Pillsbury Baptist Bible College (Owatonna, MN)
- St. John's Seminary College (Camarillo, CA)
- Sheldon Jackson College (Sitka, AK)
- Southeastern University (Washington, D.C.)
- Summit Christian College (Fort Wayne, IN)
- Trinity College (Burlington, VT)
- Vennard College (University Park, IA)
- Wesley College (Florence, MS)
- William Tyndale College (Farmington Hills, MI)[1]

These colleges had an average life span of 87-plus years. Some had been in operation over 150 years. Many seemed resilient and impenetrable. Several were established soon after our country was founded, and they survived wars, the Great Depression, plagues, and natural disasters. It seemed highly unlikely—if not impossible—that these wonderful schools would ever go out of business, but they did. And I believe that many others will over the next several years unless we adopt a new paradigm for attracting students, forge new partnerships with businesses and the non-profit community, and reimagine new ways to keep college accessible and affordable.

In 2005 Adrian College faced all of these realities, and we developed a revenue-building enrollment model that saved our institution. I am providing this testimony, in part, because I think that this model can work for other colleges and ultimately serve students and their families.

<u>This is how the Plan Works:</u>

College administrators must begin by turning to business principles that have served business owners well for years. It requires homework and answers to some simple questions that are foundational to a viable business plan.

The questions include:

What size is your college now? ________________________

1. What is your ideal college size? ________________________
2. What is your discount rate? ________________________
3. What is your ideal net tuition revenue? ________________________
4. How much revenue do you need to make from each student to realize your revenue goals? ________________________
5. What is your ideal freshman class size? ________________________

6. What is your ideal in-state/out-of-state ratio? ___________________________

7. What is your campus capacity? ___________________________

Then, each institution must review their historic data:

1. How many new students can you count on every year with your current recruitment efforts?

   ____

2. What is your annual retention rate? ___________________________________

3. Why do students leave your college early?

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When you formulate the answers to the three questions:

1. What is your ideal college size?
2. What is your ideal tuition revenue?
3. What is your ideal freshman class size?

Then you have a goal, the number of students you need to bring to campus each year to keep your institution fully-funded.

The next step is to look at the programs your school offers and ask:

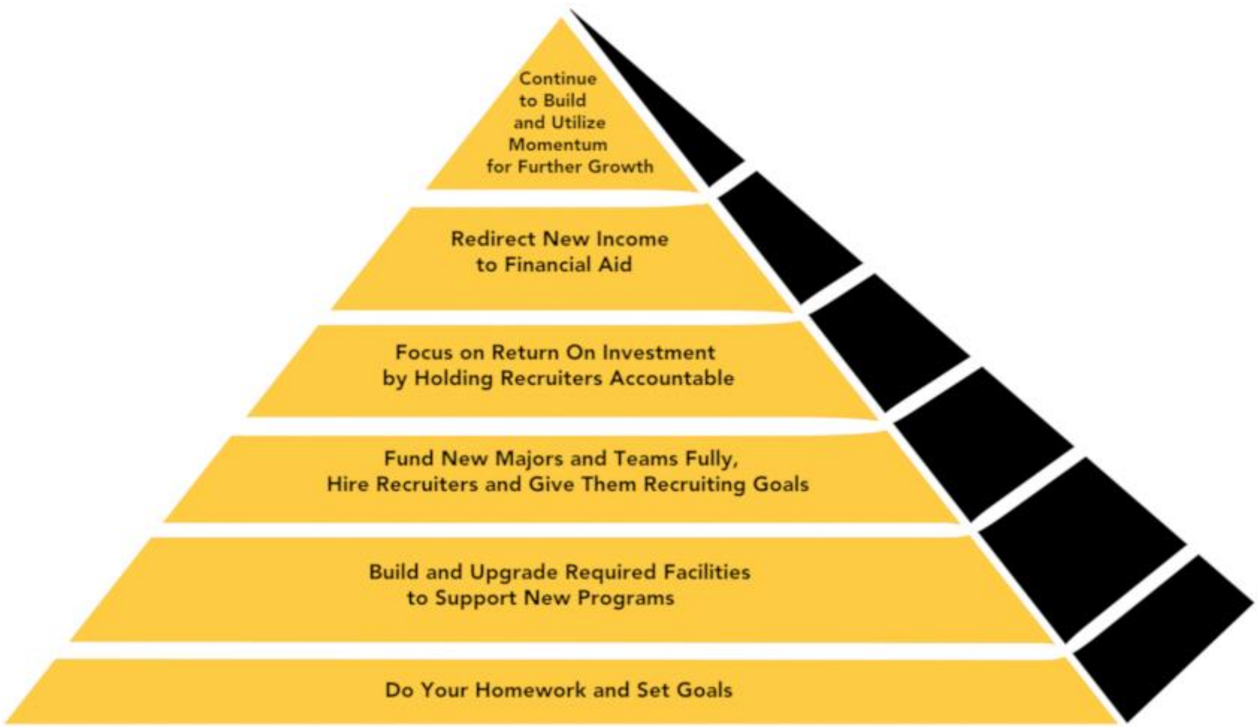
1. How many students is each academic major, athletic team, and co-curricular activity bringing in now?
2. How many students should each major and activity be attracting?

3. Who is accountable for recruiting students for each activity?

After you have a firm grasp of the enrollment potential of current activities, then you begin to add programs. And I am going to emphasize that each program must have a recruiting goal associated with it, as well as a coach or staff member responsible for achieving that goal.

The Business Model to Sustainable Growth

Once you have listed your financial goals, decided on new programs, and assigned an individual to recruit for each activity then you can begin to follow six steps that will lead to financial health and indicate your success based on your return on investment. This is illustrated below:



You can easily break Admissions Growth into Six Simple Steps

A good example of how this works can be illustrated through the implementation of a marching band on our campus.

At Adrian College, we have enjoyed a long and storied history of excellence in music. Students could earn a Bachelor of Music in Performance or a Bachelor of Music in Education. They could also graduate with a B.A. in Music, Musical Theatre, or Arts Administration, and the program offered a music minor, as well. What Adrian College had before we implemented this model was all sorts of ways to get a music degree, but we did not have a marching band. We needed to leverage this opportunity to build our enrollment. I argued that many high school seniors love playing in the marching band—it's their peer group, it's a big part of their social lives, and it's an important part of their identity. If we offered a quality marching band opportunity, we would quickly get 100-plus students on campus who would not be here otherwise.

One recruiting advantage Adrian College uses is a result of our size. Most kids active in high school bands are never going to play in the marching band at large state universities. Bands at those schools are too competitive. But Adrian College has a "no cut" policy, so every student who wants to play is guaranteed a spot on the "team." A student who wants a good education and that experience of playing in the band on the field every home game is going to choose Adrian College.

Marching Band Return on Investment

Start-up Costs (Director's Salary & First Year Budget)	Ideal Roster Size	# of Students Recruited per Year	**Annual Return on Investment (4-year total)**
$145,000	80	25	**$359,600 ($1,438,400)**

This simple example can be replicated time and time again with other athletic and academic programs. For example, we have experienced a major return on investment by starting lacrosse and a student symphony. We built a hockey rink on campus and attracted over 200 hockey players and figure skaters that would not have looked at us without an ice arena and these wonderful co-curricular activities. We are currently looking at new academic majors in graphic design and fashion merchandising to see if the ROI makes sense.

The point of this business model is to evaluate all new academic and athletic programs through the prism of an ROI to determine if it is worth the investment. In doing so colleges are forced to listen to student needs, respond to the market, and provide educational opportunities that people want. Ultimately the business plan will provide additional funds to direct to financial aid and scholarships that promote access and affordability.

Once a college or university stabilizes its finances it can begin to look for business relationships that can add additional value to the College and to the educational experience of all students. I have outlined several of these relationships in my oral testimony; I could certainly add many more. New business relationships lead to partnerships that pull colleges outside their cloistered boundaries. They force colleges to pay closer attention to our changing economy and the skills employers want in their graduates. They introduce college officials to new industries and changes in our economy that require new majors and new curriculum in the classroom. The future of education in America will be dependent on these partnerships in order to ensure that education is relevant and affordable to the future students we welcome each fall.