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## **Vermont Legislative Research Shop**

### **Higher Education: Increasing Access and Retention of Students**

As public thinking about higher education shifted from seeing it as a public benefit to a private benefit, students saw coinciding increase in their share of the costs.

As a result, students and their families have increased their share of the cost of higher education from about 35% in the late 1970s to 48% in the late 1990s. Between 1990 and 1998, for example, tuition and fees as a component of higher education revenue rose from \$44 billion to \$71.8 billion, an increase of \$27.8 billion (63%), well above the inflation rate (Dennison 2003, p. 9).

Given these increased costs to students and their families, innovative solutions to increase the access and retention of students are problematic without increasing the investment of tax revenues for higher education. There have, however, been some important strides both domestically and nationally toward new and creative ways to improve access to higher education in order to increase retention rates for students who are attending colleges and universities.

#### **Innovations in Access**

The Lumina Foundation for Education<sup>1</sup> advocates the position that simply increasing funding for universities would help to increase the number of college graduates; and, only by making colleges and universities more productive will we see a change in the number of post-secondary graduates. Lumina has spearheaded an initiative titled “Making Opportunity Affordable” to make the system more productive by “increasing the ratio of degrees to credits by reducing the number of credits that students take; implementing lower-cost delivery systems on a wide scale; and implementing cost-saving strategies throughout higher education” (Lumina

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<sup>1</sup> "The mission of Lumina Foundation for Education is to expand access to postsecondary education in the United States. The Foundation seeks to identify and promote practices leading to improvement in the rates of entry and success in education beyond high school, particularly for students of low income or other underrepresented backgrounds. It likewise seeks improvement in opportunities for adult learners. The Foundation carries out the mission through funding and conducting research; communicating ideas through reports, conferences and other means; and making grants to educational institutions and other nonprofits for innovative programs. It also contributes limited resources to support selected community and other charitable organizations" (Lumina Foundation, "Our Mission," <http://www.luminafoundation.org/>, accessed 23 April 2009).

Foundation, p. 6, 2009) without improving at the expense of the quality of education and accessibility.

Nearly 58,000 working-age adults — 18 percent of those in the workforce — have already earned some college credit. By focusing first on these residents, officials and educators should be able to make relatively rapid progress toward increasing the state’s college-attainment rates (Lumina Foundation, p.113, 2009).

To gain a clearer understanding of the state of education in Vermont, Table 1 presents educational attainment by county for Vermont.

**Table 1:** Percentage of young adults (ages 25-34) with a two- or four-year degree by County for Vermont

1	Chittenden	58.2%	8	Bennington	32.9%
2	Washington	43.7%	9	Orange	32.1%
3	Windsor	40.1%	10	Franklin	30.0%
4	Lamoille	39.7%	11	Rutland	29.3%
5	Windham	36.8%	12	Caledonia	26.0%
6	Addison	34.9%	13	Orleans	23.5%
7	Grand Isle	32.9%	14	Essex	20.3%

Source: U.S. Census Bureau, 2000

### **Innovation in Retention**

Higher Education Consulting firm Noel-Levitz awards colleges and universities annually for innovative retention programs. A good retention rate can boost revenue for universities while simultaneously ensuring community for students. The 2008 recipients of the Retention Excellence Awards were granted to Grand View College for establishing a first-year program that established a web of social support for students, South Plains College for “uniting the campus to improve retention” and Virginia Commonwealth University for enhancing academic success through a rigorous advising program (Noel-Levitz). Noel-Levitz awards date back to 1989, creating a solid database of innovative programs to improve retention for higher education institutions. These programs can be found at <https://www.noellevitz.com/Papers+and+Research/Retention+Excellence+Awards/>.

### **Income Contingent Financing of Student Charges for Higher Education**

“Economists such as Friedman (1955) have argued that the capital market problem can be addressed by making the payment of tuition fees that other higher education charges dependent on students’ future incomes, rather than current family income” (Chapman, p. 1, 2002). Although Australia’s Higher Education system is run by the government, a version of this policy could be used by US institutions. The policy creates a system in which higher education

loans are awarded to students based upon their predicted future income, not upon their current family economic situation. This makes the playing ground more equal for students who have economic barriers to higher education. Students have the option to pay yearly with a 15% discount, or defer their loans. These loans don't need to be repaid until students earn 65% of the average Australian income, at which point they begin to pay them back. When put in place, even in the first year of running, there was a substantial payback rate despite the option to defer loans. This means that "the introduction of an income contingent charge scheme can provide substantial revenue to [institutions] quite quickly" (Chapman, p. 10, 2002). Evaluations of the system show that the system has increased "the participation of individuals irrespective of their family wealth" (Chapman, p.13, 2002). This program is successful because the government (the provider of loans) was able to record student's income needs over time with accuracy, and an efficient collection mechanism, two essential elements to running an Income-Contingent Financing program for higher education (Chapman, p. 14, 2002).

### **State Funded College Preparatory Programs**

These college preparatory programs are state funded, and usually target children in elementary, middle, and high school to increase accessibility to college for disadvantaged students.

The *Educational Opportunity Program (E.O.P.)* is a program that targets disadvantaged families from New York, California, and New Jersey. It works in conjunction with federally funded program TRIO and, "Serves students who have shown potential for success in college [who] may not have completed typical college preparatory programs in high schools, or their economic and personal circumstances may have affected their academic achievement and preparation for college" through assistance in admission and academics, as well as financial assistance to eligible undergraduate students.

<http://www.ncsl.org/programs/educ/CollegePrepProg.htm#StateFunded>

The *California Student Opportunity and Access Program (Cal-SOAP)* is a program that improves "achievement levels of low-income, elementary and secondary students" and serves students in regions with "documented low-eligibility or low college participation rates." Operating in sixteen locations, Cal-SOAP has specialized programming for each area served to help students to the best of their ability.

<http://www.ncsl.org/programs/educ/CollegePrepProg.htm#StateFunded> <sup>2</sup>

<http://www.csac.ca.gov/doc.asp?id=77>

The *College Reach-Out Program (CROP)* is program targeted toward enriching education for students in Florida that are disadvantaged financially, as well as first generation primary and

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<sup>2</sup> More information about Cal-SOAP can be found at <http://www.csac.ca.gov/doc.asp?id=77>.

secondary students by providing additional support.  
(<http://www.ncsl.org/programs/educ/CollegePrepProg.htm#StateFunded>).<sup>3</sup>

*New York's Pre-Collegiate Preparation Programs* provides support services and programming to serve students who are at-risk throughout New York State. The program focuses on utilizing collaborative relationships with higher education institutions, community-based organizations, and businesses. (<http://www.ncsl.org/programs/educ/CollegePrepProg.htm#StateFunded>)<sup>4</sup>

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This report was prepared in response to a request from Representative Kesha Ram by Emelie Bailey, Anna Isaacson, and Laura Eddy under the supervision of Professor Anthony Gierzynski on February 18, 2009.

Disclaimer: This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Gierzynski. The material contained in the report does not reflect the official policy of the University of Vermont.

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<sup>3</sup> More information about Florida's College Reach-Out Program can be found at  
<http://studentservices.fgcu.edu/CROP/>.

<sup>4</sup> More information about New York's Pre-Collegiate Preparation Programs can be found at  
<http://www.highered.nysed.gov/kiap/PCPPU/home.html>.