



COMMONWEALTH of VIRGINIA
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
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Peter Blake
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December 1, 2017

The Honorable Emmett W. Hanger, Jr.
Co-Chair, Senate Committee on Finance
P.O. Box 2
Mount Solon, VA 22843-0002

The Honorable Thomas K. Norment, Jr.
Co-Chair, Senate Committee on Finance
P.O. Box 6205
Williamsburg, VA 23188

The Honorable S. Chris Jones
Chair, House Committee on Appropriations
P.O. Box 5059
Suffolk, Virginia 23435

Dear Senator Hanger, Senator Norment and Delegate Jones:

On behalf of Dr. Leanna Blevins, executive director of New College Institute (NCI) and myself, please find enclosed our joint report in response to Paragraph F of Item 249 of the 2017 Appropriations Act, Chapter 836. That budget language directs NCI and the State Council of Higher Education (SCHEV) to evaluate options for lowering the costs of courses and programs offered at New College to residents of the region. The report summarizes our findings related to 11 potential options, separated into two groups – those implementable with minimal additional investment of resources and those requiring more than minimal new resources.

We believe that the options described in this document offer means of both increasing citizens' awareness and reducing their overall costs of completing programs at NCI. These options also represent opportunities for New College to position itself strategically for the future and to serve as a model for all the Commonwealth's higher education centers/institutes.

Please contact either of us at any time with questions or requests for other information.

Sincerely,

A handwritten signature in black ink that reads "Peter Blake".

Peter Blake

cc: Dr. Leanna Blevins, Director, New College Institute
The Honorable Dietra Trent, Secretary of Education
The Honorable William M. Stanley, Jr., Chair, NCI Board of Directors
Heywood Fralin, Chair, State Council of Higher Education for Virginia

Advancing Virginia Through Higher Education

December 1, 2017

An Evaluation of Options for Lowering NCI Students' Costs

Report in Response to Item 249, Paragraph F, of the
2017 Appropriation Act, Chapter 836

New College Institute
Leanna Blevins
Executive Director

State Council of Higher Education
Peter Blake
Director

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Introduction

In 2017, the Governor and the General Assembly included the following language in the Appropriation Act, Chapter 836:

Item 249.

F. The New College Institute and the State Council of Higher Education for Virginia shall evaluate options for alternative pricing that result in lower charges for programs and courses offered to citizens of the region attending the New College Institute. The options shall not be limited to increased subsidy, financial aid or creating a new delivery model for citizens of the Commonwealth. The New College Institute and the State Council of Higher Education for Virginia shall report their findings to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2017. (<https://budget.lis.virginia.gov/item/2017/1/HB1500/Chapter/1/249/>)

Staff from the New College Institute (NCI) and the State Council of Higher Education for Virginia (SCHEV) evaluated a variety of options and offer below their findings, represented as 11 options grouped by the extent of financial investment necessary from the Commonwealth, institutions of higher education and/or other entities.

Findings

Options implementable with minimal additional financial investment

1. Market more aggressively the “2+2” model to citizens of the region.

The model provides for students to earn an associate degree from a college in the Virginia Community College System (VCCS) and transfer to a participating NCI university. Because community colleges charge lower tuition, students earn a degree at a lower price than what they would pay if they took their entire program at a university. VCCS partners could include transfer information in course catalogs and include NCI representatives and information at all transfer-related events in the region. Because New College collaborates with the Commonwealth’s other higher education centers to deliver access to programs, all VCCS partners in Southern Virginia would be included.

2. Broaden NCI's role as an education portal and/or destination.

New College could become a location for students who participate in the Southern Regional Education Board's Academic Common Market (ACM), where they could pursue individual courses or complete degree programs online or in a hybrid format (depending on program requirements), plus get experiential learning in Virginia. Across the South, ACM students pay in-state tuition rates to take courses/programs from out-of-state institutions when no institutions in their home state offer these courses/programs. Almost 600 Virginians participated in the ACM in 2016; among the most popular degrees were Bachelor of Science programs in Aerospace and Mechanical Engineering (dual degree) and Forest Resource Management from West Virginia University, and Retail Management (retailing concentration) and Risk Management and Insurance from the University of South Carolina.

3. Authorize NCI-partner public institutions to charge a lower out-of-state tuition.

If public institutions that offer programs at New College were authorized to charge out-of-state residents, especially those of North Carolina, tuition rates lower than current rates, then not only might NCI enrollment increase, but Virginia residents would benefit from more, and more cost-effective, educational opportunities being provided there. State law requires non-Virginians to pay at least 100% of the cost of their education at a public four-year institution. On average, out-of-state students pay about 160% of Virginia universities' costs to educate them, underwriting Virginia residents' costs. The Governor and the General Assembly could authorize public institutions to charge a lower out-of-state rate at New College, thereby spurring enrollment and improving the cost-effectiveness of their NCI participation and their willingness to offer additional programs on-site – to the economic and educational benefit of students from the region.

4. Promote the use of the Online Virginia Network and other academic innovations.

Academic innovations such as the new Online Virginia Network (OVN) offer easily-accessible "bridge" courses whereby students can complete their programs of study more quickly. Sometimes students are unable to enroll in the courses they need to complete an associate's or bachelor's degree program as quickly as possible. NCI could promote the use of OVN and other means of acquiring academic credit to fill in the gaps, thereby enabling students in the region to complete their programs

sooner than otherwise – and thus to save money over the course of their education. Combined with Option 8 below (experiential and work-based learning), this strategy could prove to be a major benefit to students and employers in the region.

5. Authorize public institutions to make greater awards of need-based financial aid to students at higher-education centers/institutes than to students on campus.

An authorization could be granted for public institutions to award state financial aid to need-demonstrating students enrolled at NCI and other state-authorized centers and institutes at levels not currently authorized for other students. Virginia law establishes requirements for institutions to follow in awarding need-based financial aid. The Governor and the General Assembly could provide different requirements for students who take university programs at NCI, thereby lowering the net price for those who qualify for need-based state aid.

Options that require specific state or institutional funding or financial support from outside entities

6. Provide an additional financial incentive for eligible students to enroll at NCI.

The Two-year College Transfer Grant program could be modified to encourage and reward eligible students to enroll in programs offered through New College. The Transfer Grant program awards \$1,000 to eligible completers of associate's degrees who transfer into public and private non-profit Virginia four-year institutions. Students also can earn an additional \$1,000 if they enroll in selected high-demand baccalaureate programs. Students who take courses from certain institutions (none of which currently offer programs at NCI) are eligible for an additional \$1,000. The Governor and the General Assembly could modify the Transfer Grant program to make awards to students taking university programs at NCI. If successful, this concept could be expanded for students at other higher education centers/institutes.

7. Provide a specific state subsidy for NCI to contract with universities to offer programs at discounted tuition.

Universities would be more interested in providing lower-priced programs at NCI if they were subsidized directly for doing so.

8. Provide a specific state subsidy for NCI to establish regional or rural work-based learning opportunities in high-need career fields.

By subsidizing experiential and work-based learning opportunities in high-need fields, the likelihood of employment within the region upon graduation would be increased for its citizens.

9. Create a tuition- or loan-forgiveness program for NCI-program graduates.

For citizens of the region who complete a degree offered at NCI and who agree to live and work in the community for a period of time, a program for forgiving some or all of their tuition costs or student-loan balances would, on the back end, reduce the final cost of their education. The other options described herein would be necessary to lower their up-front costs.

10. Pursue any reasonable effort to increase revenue, thereby increasing services to students in NCI programs such that they complete programs as quickly and economically as possible.

One potential option would be to designate and outfit NCI as a shared services center for universities to consolidate certain back-office functions; another would be to seek greater financial assistance from foundations and employers to underwrite student tuition and the cost of educational programs.

11. Establish NCI as a separate institution of higher education, which would be founded on the premise of lower charges for courses and programs.

The path to becoming an independent institution could start by making NCI a branch campus of an existing institution. It is unlikely that an existing institution would offer comparable programs off-site at a lower price (other than adjustments for on-campus non-instructional services). The more likely way to establish a low-priced institution is to create one anew.

Conclusion

New College Institute exists in direct response to the lack of public access to colleges and universities for an underserved region. When regions are underserved, their citizens often lack awareness of their postsecondary options and the opportunities to pursue those possibilities as economically as possible. The options described in this

Lower-cost Options for NCI Students

document offer means of both increasing citizens' awareness and reducing their overall costs of completing programs at NCI. These options also represent opportunities for New College to position itself strategically for the future and to serve as a model and/or to pilot programs for all of the Commonwealth's higher education centers/institutes.