

Texas Public Policy Foundation

Anatomy of a Revolution?

The Rise of the \$10,000 Bachelor's Degree

Thomas K. Lindsay, Ph.D.

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Anatomy of a Revolution?

The Rise of the \$10,000 Bachelor's Degree

by Thomas K. Lindsay, Ph.D.

Executive Summary

In 2011, Governor Perry challenged Texas public higher education to develop degrees costing no more than \$10,000. This year, a number of schools complied. But critics contend that these new programs attain the desired price point through tactics that do not actually reduce real costs.

This criticism may miss the larger point. Until now, the debate over how best to address the crisis of runaway tuitions has produced calls to action on two fronts: (1) lowering interest rates on federal student loans to enable students to pay more, and/or (2) asking taxpayers to pay more through increasing state subsidies to higher education. But the \$10,000 degree stands as a new model, and as a challenge. For the first time, the college-affordability crisis is being approached through focusing us on how institutions might lower costs to students, parents, and taxpayers.

This shift is the first sense in which the \$10,000 degree might be considered revolutionary. The second, deeper sense is social-psychological. The very existence of \$10,000 degree programs appears likely to spark a revolution of rising expectations on the part of students and their parents. A recent national study finds that 75 percent of prospective students deem college unaffordable.¹ A 2010 survey found that 80 percent of Texans think Texas colleges and universities can be run more efficiently.²

These perceptions have a basis in reality. Total student-loan debt has risen to roughly \$1 trillion dollars, an amount necessary to keep up with tuitions that, nationally, have risen 440 percent in the last 25 years. This rate of increase is twice that of health care costs.³

In response, according to a recent Sallie Mae study, “more families report making their college decisions based on the cost they can afford to pay.” The average amount students and their families are paying for college has fallen for two consecutive years.⁴

Another study released this summer shows that approximately one-third of all higher education institutions have

unsustainable business models.⁵ Too many institutions of higher learning today are overly complex and mired in debt.⁶

Accordingly, the mere announcement of \$10,000 degree plans seems likely to spark expectations for more such programs—at every Texas public college and university and, where feasible, in every field of study. It is in this, the deepest sense, that the criticism of the fledgling \$10,000-degree program may miss the larger point: The ground has shifted beneath the feet of traditional public higher education in Texas as well as the rest of the country.

In light of the above, this study recommends the following:

- Require all Texas public colleges and universities to submit to the Texas Higher Education Coordinating Board feasibility studies for crafting \$10,000 degrees in their four most popular degree plans as well as for all those they offer in STEM (Science, Technology, Engineering, and Mathematics) subjects.
- Require all these schools to measure and report student learning outcomes at the freshman and senior years through administration of the Collegiate Learning Assessment (CLA). Degree programs costing \$10,000 should be subject to the same requirement.
- Institute reforms that tie university funding to student learning outcomes, as measured by the Collegiate Learning Assessment. Such funding should apply equally to traditional, as well as to \$10,000, degree programs.
- Require all Texas public colleges and universities to list on student transcripts not only the grade the student received for each class, but also the average grade in each class. This would tell prospective employers whether or not a given student's high grade point average was the product of truly exceptional work or of enrollment in what today's students call “mick” (for “Mickey Mouse”) courses.

Changing the Terms of the Debate

“... [T]he most important of all revolutions ... I mean a revolution in sentiments, manners, and moral opinions.”

-Edmund Burke, *Reflections on the French Revolution* (1790)⁷

In his 2011 State of the State Address, Governor Rick Perry challenged Texas public higher education “to develop bachelor’s degrees that cost no more than \$10,000, including textbooks.” He specified the means to this radical end: “Web-based instruction, innovative teaching techniques, and aggressive efficiency measures.”⁸

The challenge, though startling to some, was not issued in a vacuum. Today, the deficiencies in the higher education business model have become manifest. During the past quarter-century, average college tuitions have risen roughly 440 percent. Unsurprisingly, student loan debt has followed the same upward arc. Outstanding student loan debt now stands at \$1 trillion—more than total national credit-card debt. Perry’s challenge looked to reverse this trend.⁹

The higher-education establishment’s take on the governor’s charge was summed up in the title that the *Austin American-Statesman* gave its story covering the speech: “Perry’s call for \$10,000 bachelor’s degrees stumps educators.”¹⁰ The skepticism was understandable. After all, at the time, average tuition and fees for a four-year degree at Texas universities stood at roughly \$27,000, with many predicting that prices would need to go up still further.¹¹ Opinions on the feasibility of Perry’s vision ran the gamut. At one end of the spectrum, Travis County Democratic Chairman Andy Brown wrote, “As for the governor’s preposterous scheme to serve up \$10,000 college degrees, nobody in higher education believes that is even possible. Tuition and books for a single year easily add up to that amount, and tuition likely will increase in the face of state funding cuts. ... [I]t’s not a realistic option for most higher ed institutions in Texas.”¹²

Said Dean Neikirk, chairman of the University of Texas Faculty Council and professor of electrical and computer engineering: “We’re certainly interested in efficiency, but it’s extremely unlikely that at a tier one university it’s going to be possible to do something like (the governor’s proposal) without the equivalent of a large subsidy.”¹³ “I don’t think it’s a very practical idea,” said Peter Hugill, professor of geography at Texas A&M and then-president of the Texas

Conference of the American Association of University Professors. “Do you really want a stripped-down, bare-bones degree?”¹⁴ Hugill went on to argue that “\$10,000 seems to me a number someone pulled out of the air. ... I’m afraid my general response to this is that it’s yet another attempt to reduce a highly complex subject to a sound bite.”¹⁵

Senate Higher Education Chairwoman Judith Zaffirini agreed that \$10,000 degrees might be available under certain circumstances, but she doubted the scale envisioned by the governor. “There may be a way to do it,” she said “perhaps at a community college or a small regional college. Your emerging research universities aren’t going to do it, and your national research universities probably can’t do it.”¹⁶

In contrast, Raymund Paredes, chairman of the Texas Higher Education Coordinating Board, argued that to refuse at least to attempt to create \$10,000-degree programs was unthinkable: “If we keep going the way we are,” he said, “a baccalaureate degree at a public university will cost \$100,000 at some institutions in five years. We can’t go there. The state does not have the resources, we are not going to have enough financial aid to cover those costs. We have got to find different models. ... Nobody is talking about everybody offering this low-cost, no-frills degree. We are talking about providing students an alternative and reinventing higher education.”¹⁷

From another education sector came the endorsement of Bruce Leslie, chancellor of the San Antonio-based Alamo Colleges, who said: “We already have the facilities, the infrastructure, and the doctorate faculty. You could take community colleges and do that without building a whole new infrastructure, or forcing existing four-year universities to downsize.”¹⁸

Thirteen months later, Leslie’s optimistic vision became reality. In March 2012, Texas A&M-San Antonio announced a partnership with the Alamo Colleges community-college system and neighboring high schools to offer a four-year bachelor’s degree in applied arts and sciences in information technology, with an emphasis on information security. The entire degree will cost \$9,672, not including the price of books. High-school juniors will be admitted to the program on the basis of their test scores and prior coursework. Once accepted, they may obtain up to 60 college credits at

no cost, although not all of their coursework will necessarily be performed at the college level. The precise mix of courses will vary for each student, after consultation with the program's academic advisers. Once they have completed high school, the students will spend a year at one of the community colleges in the Alamo system. They will finish their degrees with an intense year at A&M-San Antonio.

The program has several quality controls in place. While taking the dual-credit courses in high school, students will be taught either by Alamo Colleges faculty or by high-school teachers certified to teach college-level coursework. In addition, by virtue of a Texas mandate, these dual-credit courses must be taught at the same standard as all other college-level courses. Finally, the Alamo Colleges system is accredited by the Southern Association of Colleges and Schools (SACS), the same body that accredits Texas A&M.

Students in the program will graduate from college at around age 20, virtually if not entirely free of student-loan debt. Such student-loan debt as some might acquire will constitute a fraction of that borne by counterparts in traditional college degree programs. Given the number of information-technology companies in the San Antonio area, holders of the degree reasonably can expect to earn between \$16 and \$40 an hour.¹⁹ In contrast, the average student today takes five-plus years to graduate, and accumulates roughly \$25,000 of student-loan debt in the process. Worse, a study published last year by the University of Chicago Press finds that 31 percent of recent college graduates have been forced to move back home with their parents. The majority of those able to find jobs makes less than \$30,000 a year (equal to 50 weeks of full-time employment at \$15 an hour).²⁰

Given the rise in cost-consciousness documented by the Sallie Mae study, how many college graduates currently living in their parents' basements wish that they had the opportunity offered by A&M-San Antonio's new program?²¹ Time will answer this question, for the A&M system plans also to launch two other degree offerings for just under \$10,000: a bachelor of science in business administration from Tarleton State University, and a bachelor of applied sciences in organizational leadership that will be offered through A&M-Commerce and South Texas College.

Finally, although TAMU-SA's joint program is new, its ingredients are not. Dual-credit courses and community-

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college transfer credit have for some time been staples of secondary and higher education. What is new is the seriousness and expedition with which a public university has sought to address the college-affordability crisis.²²

Consolidating the Revolution: New Programs on the Horizon

Texas A&M-San Antonio has still larger plans, says President Maria Fernandez-Ferrier. "This is a start. We are looking at other programs that absolutely meet the needs of the region, state, and the country and that will really yield a job at the end of that degree."²³ In this quest she is not alone. Since TAMU-SA's announcement of its \$10,000-degree program, similar programs have arisen elsewhere. Proponents contend that the \$10,000 degree has quickly moved from a curiosity to something resembling a trend.

Starting this fall, the University of Texas' Permian Basin (UTPB) campus will offer five degree programs for under \$10,000: bachelors of science degrees in chemistry, computer science, geology, information systems, and mathematics. Unlike the A&M-San Antonio \$10,000 degree—which combines high-school dual credit courses, one year at a local community college, and upper-division courses at the university—all courses will be offered at UTPB, making the university the first institution to offer a \$10,000 degree on a single campus. The cost saving is substantial: UTPB currently charges more than \$25,000 for in-state tuition and fees over four years.

The program has high admission standards—students must be qualified to take pre-calculus upon entry—and limited seats. Critics have seized on these points. However, the larger fact seems to be that, since the governor issued his challenge, the state's public universities have begun to

engage in the sort of creative, disruptive work that reformers argue is indispensable to addressing the crisis in higher education costs.²⁴

Another recent entry to the field is the Texas State University System, which announced a partnership between Southwest Texas Junior College and the Sul Ross State University's Rio Grande College to create a "\$10,000 Scholars Program." This three-year program is designed to deliver a \$10,000 bachelor's degree in biology, chemistry, or mathematics for students who maintain at least a 3.0 GPA for their college coursework and complete at least 15 credit hours per semester.

Texas A&M Commerce, working with South Texas College in McAllen, also has recently announced a \$10,000-degree program. In the fall 2013 semester, the school intends to launch the Bachelor of Applied Science in Organizational Leadership. The program as envisioned will be a "competency-based bachelor's degree rather than a semester credit-hour based degree."²⁵ Interviewed by the *Dallas Business Journal*, Rusty Waller, interim program head of the Department of Educational Leadership, stressed the uniqueness of the program's approach: "Instead of thinking in terms of higher-education curriculum, we're thinking in terms of employer skill sets," he remarked.²⁶

Taking a page from Texas A&M-San Antonio's new program, students pursuing the A&M Commerce degree will earn 60 credit hours while in high school or through a community college. Another component similar to that found in the TAMU-SA program will be the role of business and industry in identifying the skills needed by students to compete in the marketplace. The article cites Gene Acuna of the Communities Foundation of Texas, who points to Texas Higher Education Coordinating Board research showing that "only half of students who start four-year degree programs in Texas graduate, and the cost of college is a major obstacle to finishing."²⁷

At the graduate level, they announced that, beginning this year, they will offer a weekend MBA program costing approximately \$10,000. The financial import of the new initiative is driven home on the university's web site. "That's in comparison," the web site says, "to an online MBA program introduced this month at the University of North Carolina-

Chapel Hill business school with a price tag of \$89,000."²⁸ The program is aimed at working professionals who cannot afford to leave their full-time employment temporarily to pursue an MBA.

The program has a flexible design, consists of 36 credit hours, and is structured around "cohorts," that is, around groups that begin and complete their degree together. The cohort approach seeks to help students benefit from the knowledge of their classmate and to build a network of fellow professionals. The coursework's practical focus combines traditional classroom teaching with individual and group projects.²⁹

According to the UNT web site, the six- to nine-semester program consists primarily of courses completed in six weekends, or two per semester each fall and spring. The intention behind the format is to allow students to focus on a single subject at a time. The program includes a concentration in strategic management. The \$10,000 price tag is limited to students with undergraduate degrees in business administration. Those entering the program with degrees in other disciplines may be required to satisfy up to 18 hours of business background coursework.³⁰

"What Will \$10,000 Get Me?" Criticisms of the Early \$10,000 Degree Programs

The concerns of those who doubted the possibility of crafting \$10,000 degrees were not assuaged by the initial rush of programs meant to answer the governor's challenge.³¹ Far from it. As some saw it, the methods employed in the fledgling \$10,000 programs gave rise to more concerns, which were rehearsed in a lengthy *Inside Higher Ed* article, titled, "What Will \$10,000 Get Me?"³²

"[W]hile the governor's call led to experimentation," writes Kevin Kiley, "particularly with the pathway to a degree, the result has been mostly niche programs that don't address the costs of educating students and can't be broadly replicated." Most of the \$10,000 degree programs, says Kiley, "take advantage of community college and dual-enrollment high school credit—which are cheaper to students than university credit—and are not available to students in most disciplines."³³

According to this account, the cost drivers in education—“a highly trained, expensive labor force; a student body that expects certain services; and employers who expect graduates to be trained in specialized technologies”—afford little opportunity for institutions to offer high-quality degrees in most academic majors for “anywhere close to \$10,000.” The article cites David Feldman, a professor of economics at the College of William and Mary and co-author of *Why Does College Cost So Much?* “If you say can you provide a quality education for a price to the student of \$10,000, that’s one thing,” said Feldman, noting that various forms of subsidies can drive down the price of a degree. “But if you’re talking about getting costs down to \$10,000, I just don’t see how you can do that.”³⁴

Moreover, although the governor called on Texas public universities to “leverage Web-based instruction, innovative teaching techniques and aggressive efficiency measures” in order to reduce tuitions, the fledgling \$10,000 degrees “simply tinker with the way universities price the degree, not the costs,” argue Kiley, who offers as a case in point the University of Texas of the Permian Basin’s “Texas Science Scholars” program. This program offers a \$10,000 degree to incoming students who are already prepared for college-level mathematics and science. In addition, accepted applicants must agree to complete their degrees within four years. For this select group, degrees in chemistry, computer science, geology, information systems, and mathematics are capped at \$2,500 an academic year, whereas other UTPB students pay as much \$6,300 a year. According to UTPB’s provost and vice president for academic affairs, William R. Fannin, the college’s \$10,000 degree programs are made possible by the current underutilization of the university’s just-completed science building. This reduces substantially the cost of enrolling additional students. According to Fannin, “It is a unique situation where we’ve built the buildings to handle 5,000 to 6,000 students, and the Legislature wants students in these particular areas. We could naturally grow, or we could use that capacity by having degrees that might attract students from across the state.”³⁵

However, critics contend that UTPB’s “Science Scholars” benefit at the expense of the rest of the university’s students, to whom accrue none of the savings made possible by the lower cost of the program as currently constituted. Fannin rejoins that the effect of merit scholarships generally, like

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that of federal and state financial aid, is that few students end up paying the same amount of tuition for the same course load. Nonetheless, Fannin grants that, as the university grows, the cost-savings currently at its disposal will wither, forcing the university to limit the number of Science Scholars through hiking the entrance qualifications. Moreover, critics argue, the governor’s vision to increase the scale of the new programs is undermined by the fact that universities lacking UTPB’s current surfeit of space and faculty will find themselves hard-pressed to offer a similar \$10,000 program.³⁶

The same charge is directed at the Texas A&M programs in San Antonio and Commerce, which are limited to specific academic majors and in the number of students they can enroll. Critics add that the A&M programs, because they depend on partnerships with local community colleges, “cannot easily be replicated at other institutions.”³⁷

In light of these constraints, conclude Feldman and his *Why Does College Cost So Much?* co-author, economist Robert Archibald, the governor’s scale desideratum can be effectuated only through increasing subsidies to students and/or universities. As evidence for this contention, they cite the statistics on per-student-spending at the University of Texas system. In 2009, the UT system “spent an average of \$21,247 per student per year,” while the A&M system “spent an average of \$25,092 per student per year.”³⁸ Even non-Tier One institutions that focus on undergraduate teaching, such as Permian Basin, “still spent more than \$15,000 per student per year.”³⁹ On the basis of Feldman and Archibald’s reasoning, even a less expensive institution such as Permian Basin could offer a \$10,000 degree only if roughly 85 percent of its budget were “subsidized in some form.”⁴⁰

Lower-income students have access to scholarships, grants, and other need-based aid. Higher-income parents can afford tuition for their students. But families in between are being squeezed increasingly.

Feldman and Archibald are mindful of the fact that state funding for public higher education has dropped recently in Texas and nearly every other state. To this must be added the effects on states of ballooning Medicaid payments, the honoring of which cannot but depress funding for all other areas in state budgets, higher education among them. Nor do state subsidies appear likely to increase in the near future.

At the same time, notes Kiley, “[s]tate funding isn’t the only way to subsidize a degree.” There are in addition private and corporate subsidies as well those that come from “other students.” With regard to the latter, many state universities use “the tuition revenue of full-paying students to help cover the costs of those students who cannot pay.” Through this method, “low-income students in particular can already obtain degrees for less than \$10,000 out of their own pockets.” The article cites the University of Texas at Austin, which spends the most per student of any school in the UT system. Even so, “a quarter of students were paying less than \$2,500 a year in tuition after financial aid.”⁴¹

However, and as Feldman and Archibald note, these internal subsidies have come under attack in Texas and other states, because their effect has been to squeeze further middle class students and their families.⁴² As reported by the Institute for Research on Higher Education, Texas “students and their families, already burdened by tuition hikes, have been forced to assume more responsibility for funding financial aid, too, through set-asides from tuition increases.” This practice, it is argued, is contributing to pricing our top public universities out of the reach of middle-class families. Lower-income students have access to scholarships, grants, and other need-based aid, as the UT-Austin data cited above demonstrate. Higher-income parents can afford tu-

ition for their students. But families in between are being squeezed increasingly.⁴³

In light of all these forces—decreasing state funding; depressed private giving; the inability of students to shoulder further tuition increases, and an unwillingness generally to raise taxes further—Feldman and Archibald’s formula for producing \$10,000 degrees through increasing subsidies takes on an unintended dimension: Their formula is less a solution to the college-affordability crisis than it is an articulation of the true depth of the crisis.

What critics of the early \$10,000 degree programs appear to desire most is increased subsidies, from government, the private sector, or “other students.” The ensuing recognition that increasing subsidies is impossible under current circumstances leads to the seemingly inescapable conclusion that \$10,000 degrees cannot be produced on a sufficient scale without a “significant change in the traditional model of higher education.”⁴⁴

To their credit, Feldman and Archibald’s arguments assist us in clarifying the alternatives that policymakers must consider if they are effectively to deliberate about measures to enhance college affordability. To his own credit, Governor Perry, in his State of the State Address, already envisioned the requirement of “significant change in the traditional model of higher education.” Perry postulated “Web-based instruction, innovative teaching techniques and aggressive efficiency measures” as the means toward the end of enhancing affordability.⁴⁵

The growth of Web-based instruction is impressive already. For the last nine years, the Babson Survey Research Group, in collaboration with the College Board, has tracked online learning through surveys of over 2,500 academic leaders across the country. Its latest survey, “Going the Distance: Online Education in the United States, 2011,” testifies that online learning has skyrocketed in the last decade. More important, this initial growth is predicted to be trumped by that which follows.

“The rate of growth in online enrollments is 10 times that of the rate in all higher education,” writes the study’s co-author, I. Elaine Allen, who is Professor of Statistics & Entrepreneurship at Babson College.⁴⁶ According to the survey’s

web site, 31 percent of higher education students currently are enrolled in one or more online courses. Over six million students enrolled in at least one online course during the fall 2010 term, an increase of 560,000 over the previous year. The real weight of this number is illuminated by the fact that the 10 percent growth rate for online enrollments far exceeds the 2 percent growth in the overall higher education student population. Student satisfaction is comparable for online and traditional courses, according to the academic leaders surveyed. Moreover, two-thirds of the higher education institutions surveyed testified that online education today has become critical to their long-term education strategy.⁴⁷

Perhaps chief among the “innovative teaching techniques” called for in the governor’s State of the State Address is the competency-based model. In June of this year, the University of Wisconsin System (UW) and Wisconsin Governor Scott Walker announced the creation of self-paced, competency-based online programs aiming to help adults with some college credit finish their degrees. As described on its web site:

... [T]he UW Flexible Degree will draw upon the expertise of UW faculty members from across the state to develop a new, self-paced online delivery model. This model promises to offer a more personalized college experience to every student in which students can begin and complete courses at any time. Competency exams can be taken from home or work to ensure flexibility and special computer software can be utilized to ensure academic honesty. One goal is to offer students smaller course segments or “modules.” Rather than molding coursework around a set timeframe, these modules can be designed to contain only the knowledge required within a specific competency. This could benefit working adults who need to start and pause their studies because of work and personal commitments. It could also benefit highly motivated students who are able to move through course materials at a faster pace. Courses in this new program will be based on competency, not seat time, so students can move on to the next topic when they have mastered the current material. Students ... can graduate as soon as they can prove their mastery of the material.⁴⁸

The new program’s courses and modules also aspire to “make use of students’ prior learning.” Knowledge “from the workplace, free open courseware, or other life experiences will be “assessed and credited.” The program is aimed especially at adults, who will be able to finish their degrees at a relatively low cost and without needing to travel to and from campus.”⁴⁹

The UW-Scott project is patterned most closely after Western Governors University (WGU), an accredited, private, nonprofit university founded in 1997 by 19 state governors. Its courses are offered primarily online; the focus of its bachelor’s and master’s degrees is career-oriented. In 2011, with Governor Perry’s support, Western Governors University established a Texas branch, whose students are eligible for federal financial aid, as well as other forms of assistance. WGU-Texas currently has 2,300 students and is averaging approximately 1,000 applications a month. WGU-Texas Chancellor, Mark Milliron, estimates that the university will enroll 20,000 students by the end of the decade. “There’s such a large market of transfer students and working adults that have some college and no credential,” Milliron said.⁵⁰

WGU-Texas offers degrees in education, health, information technology, and business. Employing “competency units” and a “learning-progression model,” WGU charges students a flat rate of approximately \$3,000 every six months. The average student graduates in 30 months, which results in the average degree costing approximately \$15 thousand. Student age ranges from 25 to 55, with the average student being in the mid-30s. The typical student is already employed and likely enters WGU with some college credit already accumulated.⁵¹

There is a great deal more going on in both online education and competency-based units of education than this study has space to recount. The present account, however, shows that “significant change in the traditional model of higher education” has not only come but also, having arrived, is likely to alter substantially a sizeable segment of higher education.⁵²

Necessity's Hammer: Higher Education at the Tipping Point

It may be unclear at present whether and to what extent the innovations described above will remedy the college-affordability crisis. What is becoming increasingly clear, however, is the fact that, if the affordability crisis is not met, a large and growing number of colleges and universities will simply go bankrupt. The title of the press release announcing a new higher-education study tells the story: "U.S. Higher Education at 'Tipping Point' with One-Third of Schools Financially Unstable."⁵³ The study, recently released by Bain and Company and Sterling Partners, is titled, "The Financially Sustainable University."⁵⁴ It finds that, in just the past few years, a growing number of colleges and universities have put themselves in financially unsustainable positions. The extent and rapidity of this dysfunctionality threatens America's historical global leadership in higher education, warns the report.

By overbuilding, overspending, and overexpanding, at least one-third of America's colleges and universities have left themselves unmanageably complex, sluggish, and mired in debt.⁵⁵ Average university debt is increasing 12 percent a year, more than twice the rate of teaching-related expenses. But the sources to which colleges and universities looked in the past to relieve this debt—government subsidies and endowment growth—have fallen with the rest of the economy. As for tapping additional revenue through increasing tuitions, over the last 25 years tuitions have gone up nationally 440 percent, raising total student-loan debt to approximately \$1 trillion. The result: debt-ridden universities seek relief from debt-plagued students and deficit-haunted governmental entities. The music of generous subsidies has come to an abrupt stop, and all the players have found themselves without chairs.

"This is a watershed moment for the industry," said report co-author Tom Dretler, an executive in residence at Sterling Partners and co-founder of the Alliance for Business Leadership. "If current trends continue, we see a higher education system that in 20 years can no longer afford to meet the diverse needs of the U.S. student population. The social and economic implications are pretty staggering. The time for change is now."⁵⁶

"Higher education in the United States is facing a liquidity crisis of disruptive proportions," said the report's co-author

Jeff Denneen, Bain partner and head of the firm's higher education practice in North America, "and it is imperative that universities become much more focused on creating value from their core. Who will pay \$40,000 per year to go to a school that is completely undistinguished in any dimension?"⁵⁷

The report identifies a number of measures through which universities might save themselves, including reducing support and administrative costs, freeing capital in non-core assets, and capitalizing on the potential of online learning. In sum, universities that act now to shore up their value proposition—quality education at an affordable cost—will be better positioned to withstand the coming storm.

To state the matter differently, the direction called for by the \$10,000-degree challenge will be for many universities not a choice, but a necessity for sheer survival.

Vox Populi: A Revolution of Rising Expectations?

At the same time that their balance sheets demand that they move in the direction of \$10,000-degree programs, identical demands are beginning to bubble up from students and parents. A recent study conducted by the educational lender Sallie Mae suggests that these initial murmurings are likely only to intensify, as *vox populi* translates into economic decision-making. Titled *How America Pays for College 2012*, the study provides evidence that outlooks and behaviors regarding how—and how much—to pay for college are shifting. Sallie Mae surveyed 1,600 college students, aged 18 to 24, as well as their parents. The report documents numerous and growing examples of increased cost-consciousness.⁵⁸ The salient conclusions of the survey, as listed on Sallie Mae's web site, are:

- "83 percent of college students and parents strongly agreed that higher education is an investment in the future, college is needed now more than ever (70 percent), and the path to earning more money (69 percent).
- "Drawing from savings, income and loans, students paid 30 percent of the total bill, up from 24 percent four years ago, while parents covered 37 percent of the bill, down from 45 percent four years ago.

- “The percentage of families who eliminated college choices because of cost rose to the highest level (69 percent) in the five years since the study began. Virtually all families exercised cost-savings measures, including living at home (51 percent), adding a roommate (55 percent), and reducing spending by parents (50 percent) and students (66 percent).
- “In 2012, families continued the shift toward lower-cost community college, with 29 percent enrolled, compared to 23 percent two years ago. In fact, overall, families paid 5 percent less for college compared to one year ago.
- “35 percent of students borrowed education loans to pay for college: 25 percent borrowing federal loans only, 9 percent using a mix of federal and private loans, and 1 percent tapping private loans only.⁵⁹

The report finds that the amount students have paid for college has fallen in each of the last two years as more families report “taking more cost-saving measures” and “making their college decisions based on the cost they can afford to pay.”⁶⁰ The primary means by which this trend in cost-cutting is occurring is through enrolling in less-expensive colleges and universities and/or living at home. Also noteworthy is the fact that the increase in cost-consciousness appears most pronounced at the highest income levels. The percentage of students from high-income families opting to live at home has nearly doubled in only two years, from 24 percent in 2010 to 47 percent in 2012.⁶¹

It is reasonable to assume that this increase in cost-consciousness will prove coextensive with the economic downturn. The latter, barring a broad and deep transformation, appears likely to be with us for some time to come. Thus, downward pressure on tuitions should be considered an essential element of the “new normal.” With cost-consciousness spreading fast, the announcement of \$10,000 degree programs at a few universities can be expected to spark demands for similar programs across the state and, in short order, the nation. Texas’ and Wisconsin’s experiments may prove only the first shots fired in the coming revolution of rising expectations.

“You Get What You Pay For” Continuing Concerns over the Quality of a \$10,000 Degree

If in fact the movement in the direction of \$10,000 degree programs is inevitable, is it also desirable? That is to say, can an academically rigorous degree be provided at such a dramatically lower cost?

These are the concerns voiced by many critics of the initiative, who warn that online learning, larger class sizes, and increased reliance on adjunct faculty “could reduce the quality of the education offered.”⁶² Cary D. Wintz, who teaches history at Texas Southern University and serves on the executive committee of the Texas Faculty Association, says he “wonder[s] what education a student will attain with that \$10,000 degree. . . . I am not sure that it is mathematically possible to get a \$10,000 degree anywhere without shortcuts like dual-credit courses or discounted online courses.” In point of fact, numerous studies suggest that online learning brings no reduction in quality. To the contrary, there is considerable evidence that it produces learning outcomes at least equal and, in some formats, superior to traditional methods.⁶³

Wintz also worries that an increase in \$10,000 degrees will spark a decrease in access. The \$10,000 degree programs developed to this point are not open to students requiring developmental education programs. “Students without college-level reading, writing, and mathematical skills will not be able to get a degree for \$10,000—unless we decide to create courses that do not require such skills,” says Wintz.⁶⁴

To these concerns Feldman adds his fears over “the push to reclassify high school credit as ‘dual enrollment.’” He cites doubts about the quality of instruction at many high schools. This criticism appears to ignore or discount the fact that, by virtue of a Texas mandate, dual-credit courses must be taught at the same standard as all other college-level courses.⁶⁵

All of the above-cited criticisms share in common the sentiment expressed by the adage, “You get what you pay for.” A Texas public university professor used precisely this language in a discussion with the author recently: “Defining a degree solely on the basis of what it costs rather than what it contains seems to me a totally inappropriate way to define a degree, and I fear that any students who elect such will get precisely what they pay for.”

Fifty-seven percent of prospective students nationally believe that a college degree no longer is worth its cost. Seventy-five percent deem college unaffordable.

As Texas A&M Professor Peter Hugill puts it: “Do you really want a stripped-down, bare-bones degree?” Concern over quality is the most powerful criticism aimed at \$10,000-degree programs, and rightly so, given that higher education is just that—education. Cost-savings alone cannot justify shortchanging our students on learning outcomes.

Given the economic factors pointing toward further expansion in the direction of \$10,000 degree programs, policymakers need next to consider two related questions: (1) Can this expansion be accomplished without lowering student learning outcomes? (2) By what measurement tools can we gauge what the effect on learning is?

To attempt an answer, we might start by taking account of the public's perception of the quality offered by the current version of a college degree. The Pew Research Center and Baseline and Associates' surveys of public opinion paint a picture of growing public apprehension and discontent. Recall that 57 percent of prospective students nationally believe that a college degree no longer is worth its cost. Seventy-five percent of respondents in the survey deem college unaffordable.⁶⁶ Recall also that the Baseline survey found that 80 percent of Texas voters think the state's colleges and universities can be run more efficiently, with 50 percent strongly believing so.⁶⁷

These surveys suggest that, when it comes to higher education as currently constituted, the majority does not agree that “you get what you pay for.”

The point should have been self-evident. If the public thought it was getting what it paid for, movement in the direction of \$10,000 college degrees would not have so rapidly acquired its momentum. More important, as dis-

cussed earlier, the meteoric pace of tuition increases over the past quarter-century, along with the concomitant, historic level of student-loan debt nationally, indicate the extent to which public perception is grounded in economic reality.

Nor is cost the only significant issue. There is, additionally, the question of the value of college degrees generally. The higher education world was rocked last year by the alarming results of the landmark national study of collegiate learning, titled, *Academically Adrift: Limited Learning on College Campuses*.⁶⁸ *Adrift* employed the Collegiate Learning Assessment (CLA) to measure what American undergraduates actually learned during four years of college. Of students surveyed nationally, 45 percent showed “small or empirically non-existent” gains in “general collegiate skills”—critical thinking, complex reasoning, writing, and computational skills—after two full years in college. After four years, 36 percent continued to show only small or empirically non-existent gains. On the state level, in March 2012, the *Washington Post*, through a public records request, found that the University of Texas-Austin scores in the 23rd percentile among peer institutions on the Collegiate Learning Assessment; that is, 77 percent of UT's competitors score higher.⁶⁹

In this vein, policymakers need also consider a 2010 study of how many hours college students study today as opposed to 50 years ago. As summarized in the *Boston Globe*:

... [N]ew research, conducted by two California economics professors, shows that over the past five decades, the number of hours that the average college student studies each week has been steadily dropping. According to time-use surveys analyzed by professors Philip Babcock, at the University of California Santa Barbara, and Mindy Marks, at the University of California Riverside, the average student at a four-year college in 1961 studied about 24 hours a week. Today's average student hits the books for just 14 hours.⁷⁰

Exacerbating the situation, the decline in study hours has not resulted in lower grades. To the contrary. A study by Stuart Rojstaczer, a former Duke geophysics professor, and Christopher Healy, a computer science professor at

Furman University, looked at the grades awarded over the past several decades by more than 200 colleges and universities. As summarized in the *New York Times*, the study found that the proportion of “A grades awarded has skyrocketed over the years. ... Most recently, about 43 percent of all letter grades given were A’s, an increase of 28 percentage points since 1960 and 12 percentage points since 1988. The distribution of B’s has stayed relatively constant; the growing share of A’s instead comes at the expense of a shrinking share of C’s, D’s and F’s. In fact, only about 10 percent of grades awarded are D’s and F’s.”⁷¹

Rojstaczer and Healy’s analysis leads them to a disquieting conclusion: “When college students perceive that the average grade in a class will be an A, they do not try to excel. It is likely that the decline in student study hours, student engagement, and literacy are partly the result of diminished academic expectations.”⁷²

Higher education’s critics read Rojstaczer and Healy’s study to suggest that American higher education has gone the way of Garrison Keillor’s fictional “Lake Wobegon ... where all the children are above average.”⁷³

The statistics cited above, reformers argue, take the intended rejoinder offered by the \$10,000 degrees’ critics—that “you get what you pay for”—and stands it on its head. College students study less than they did in the past, but receive higher grades. Simultaneously, they are incurring historically high debt to pay for an education in which 36 percent of them will show small or empirically non-existent gains in learning after four full years in college.

Higher education’s critics wonder whether evidence of a system-wide breakdown could be painted in terms starker than these. In short, they argue, the crisis in American higher education is double-edged: at the same time that the cost of college has rocketed north, quality has drifted south. Thus, they contend, public opinion is correct in denying that you get what you pay for in higher education as currently constituted.

In this light, the questions posed earlier need to be refined: The focus for policymakers in Texas and elsewhere must be on the question of how to protect the movement toward \$10,000 college degrees from exacerbating the already-existing decay in education quality.

Tied to this objective is the question, “How will we know that we have accomplished this goal?” To begin, the new \$10,000 degree programs should be subjected to the learning-outcome measurements that this writer has elsewhere recommended for all Texas public colleges and universities.⁷⁴ The regents of the Texas university systems should follow the example of the University of Texas System and institute the Collegiate Learning Assessment to measure learning outcomes at the freshman and senior years.⁷⁵ Through this approach, Texas students, parents, and legislators could gauge more accurately how much actual learning takes place in four years.⁷⁶ Similarly, the Legislature might tie some portion of university funding to student learning outcomes for each university, thus motivating schools further to focus more intensely on their core mission of educating students.

In addition, the state should maximize transparency regarding student learning outcomes. This could be accomplished through breaking down each institution’s Collegiate Learning Assessment scores along the lines of schools, departments, and majors, and providing comparisons with each school’s peer institutions, both in-state and nationally. All of this information could be made easily accessible online to prospective students, parents, and legislators.

Likewise, universities could include on all student transcripts not only the grade the individual student received for each class, but also the overall average grade for the class. This would tell prospective employers whether or not a given student’s high grade point average was the product of truly exceptional work or of enrolling in what today’s students call “mick” (for “Mickey Mouse”) courses.

The measures cited above would accomplish two objectives. First, they would help us to monitor the quality of the new \$10,000-degree programs.⁷⁷ Governor Perry asked only that these new programs ultimately serve 10 percent of Texas public university students. Therefore, the second objective would be even more beneficial than the first: Through testing requirements and greater transparency at all public colleges and universities, policymakers could better monitor the quality of programs serving the other 90 percent of students.

In sum, the enhanced transparency that these measures presage would more than answer the quality concerns raised by critics of \$10,000 degrees; equally to the point, it would increase the transparency and accountability of all of public higher education.

As a result, the majority of students and their parents might come once again to believe that you get what you pay for in higher education.

Recommendations

In light of the above, this study recommends the following:

- Require all Texas public colleges and universities to submit to the Texas Higher Education Coordinating Board feasibility studies for crafting \$10,000 degrees in their four most popular degree plans as well as for all those they offer in STEM (Science, Technology, Engineering, and Mathematics) subjects.
- Require all these schools to measure and report student learning outcomes at the freshman and senior years through administration of the Collegiate Learning Assessment (CLA). Degree programs costing \$10,000 should be subject to the same requirement.
- Institute reforms that tie university funding to student learning outcomes, as measured by the Collegiate Learning Assessment. Such funding should apply equally to traditional, as well as to \$10,000-degree programs.
- Require all Texas public colleges and universities to list on student transcripts not only the grade the student received for each class, but also the average grade in each class. This would tell prospective employers whether or not a given student's high grade point average was the product of truly exceptional work or of enrollment in what today's students call "mick" (for "Mickey Mouse") courses. ★

Appendix A: Interview of Texas A&M-San Antonio's Dr. Carolyn Green

Author's Note: Dr. Carolyn Green is the Director of the Center for Information Technology and Cyber Security and Associate Professor of Computer Information Systems at Texas A&M University-San Antonio. In the past, she served as Interim Provost and Vice President for Academic Affairs at TAMU-SA. In July of this year, TPPF's Center for Higher Education (CHE) interviewed Dr. Green in order to obtain an on-the-ground account of the genesis and development of the first degree program crafted in response to the governor's challenge.

In the course of the interview, Dr. Green expressed her happiness over the fact that "other schools have made similar efforts to make a college education more affordable. We have published this interview with an eye toward those institutions currently doing feasibility studies of their own as they consider joining the ranks of \$10,000-degree providers. Our hope is that TAMU-SA's example might serve as guidance for other institutions looking for approaches by which to fashion their own distinctive programs. As Dr. Green makes clear in the interview, TAMU-SA succeeded in becoming the founder of the \$10,000 initiative through tapping into its existing strengths and leveraging those strengths through existing relationships in the San Antonio area. Doubtless, other universities have different strengths, relationships, and locales, but what they may find instructive is the creativity with which TAMU-SA wove these variables together to produce a new model.

Thomas Lindsay [hereafter, "TL"]: Who was the first person in the campus community to raise the idea of the \$10,000 degree?

Carolyn Green [hereafter, "CG"]: The idea of looking at it came out of conversations we had with our colleagues at the Alamo Colleges. We have a long-standing relationship in doing transfer agreements, and I serve on a couple of their information technology program advisory boards. We also work together on a variety of initiatives through the Information Technology Committee of the Greater San Antonio Chamber of Commerce. In looking at how our transfer agreements were working, the question came up, "Is it possible that we are in the ballpark for a \$10,000 degree?" It led to a group of us getting together to look at the details, review the number of hours being taken at each level (i.e., from high school dual credit, to communi-

ty college, to university), and determine what the tuition and fees cost.

TL: When the governor issued the \$10,000-degree challenge in his State of the State Address in February 2011, news accounts reported that it was met with a fair amount of skepticism on the part of the academic community in Texas. Was there similar concern on the part of the members of your working group?

CG: I don't remember anyone feeling that way about it. We have always had a goal of keeping our programs affordable for the population we serve. Offering quality programs while keeping costs low is one of the ways we try to help our students.

TL: Are there any other degrees you are looking at with the intention of offering them for \$10,000?

CG: I am looking at a new transfer plan right now with one of the Alamo Colleges. It's related to health care technology, and we are just now sketching out what the classes will be at the university level. I don't know enough yet to know if it will be in the \$10,000 ballpark.

TL: There are a number of other schools that are following your example. Reflecting back on the process of crafting your new degree program, what lessons were learned, and what advice would you have for other universities?

CG: Well, for us the key element was our ongoing partnerships with education institutions in our area. I came to the university in 2001 when we were just getting started as a system center under the direction of A&M-Kingsville. From the beginning, we were doing transfer agreements with the Alamo Colleges and the information technology associate degree programs. Working on the transfer plans led to getting to know each other and understanding each other's programs. Those relationships and the fact that many of their [the Alamo Colleges'] students became our students, too, laid the foundation for thinking about our programs and their total costs together: looking at the hours taken and the costs from the students' point of view, that is, as one degree plan rather than as separate pieces. We had a history of students from their programs coming to us, and we were very pleased with their preparation.

The other major element is that the Alamo Colleges have been active in high school dual-credit based programs. We were already aware of their Information Technology

and Security Academy (ITSA), a high school dual-credit program taught by San Antonio College instructors. ITSA students come from a variety of San Antonio high schools and go to one of the Alamo Colleges' locations to take their information technology classes. In our review of the costs of the entire transfer plan, Alamo Colleges colleagues told us about the early-college high school programs they work with and the opportunity students have to complete 60 credit hours of dual credit while in high school. The fact that students do not pay tuition and fees for the dual credit courses makes a significant impact on the total cost of the bachelor degree program. With a transfer plan that incorporated 60 hours of dual credit, 27 hours of community college coursework and 36 hours at the university, we had a path to a bachelor's degree in information security for \$10K.

This doesn't work in all programs. Not all programs would work with transferred credits that come from a more clearly technical type of associate degree. A degree in computer science, for example, involves a body of study that typically would not be in a degree program in applied science. It works very well, however, in information technology.

TL: Do you think that in time Texas public higher education will experience a significant increase in the number of \$10,000 degrees offered?

CG: I think we will see the emergence of various ways of increasing affordability. I think that there are opportunities for universities to do really innovative things. One of the questions we have been asked is whether we had to sacrifice quality in order to achieve affordability, and the answer is, absolutely not. The transfer plan we have outlined for the affordable information security degree uses the same classes and instructors as our Bachelor of Business Administration degree program in computer information systems, which was a major component in A&M-San Antonio being designated as a National Center of Academic Excellence in Information Assurance Education by the NSA [National Security Agency] and the Department of Homeland Security.

I can see how people would wonder, "Well, how do you do it?" And I think it's good to get the information out about how we achieved this level of affordability. Others may find that they have programs that could use a similar model.

TL: When will the first student in this program step onto the San Antonio campus, and when will the first student graduate?

CG: Students who follow the program from high school through university will be starting this fall.

TL: So, the program's first students would first step onto the San Antonio campus in the fall of 2015 and graduate in spring of 2016?

CG: Yes, students starting the program in high school this fall would enroll with us in fall 2015 and could complete their degree by spring or summer 2016, with two long semesters at A&M-SA or two long semesters and a summer.

TL: What were some of the most significant obstacles that you faced in the process of developing the new degree program?

CG: We really did not encounter any obstacles. We had support from our administration and the Alamo College's administration. The faculty all knew each other and were all interested in finding out what we could do for the students. The main thing was looking at the pieces and figuring out what the total cost was and how the dual credit portion could fit together with what we were doing. These were more technical issues than anything else.

TL: What has been the reaction up to this point from students, parents, and the San Antonio community at large?

CG: We have had a great response. The IT community group that I work with from the Greater San Antonio Chamber of Commerce has been very supportive. They consider this Affordable Cyber Security Degree a significant accomplishment. One of our goals as a committee is to encourage more people to pursue careers in information security so that we can meet workforce needs. I think the good reception we have received is because people see that the degree plan will make choosing this career path more affordable and feasible for students in the San Antonio area. I have had a number of parents contact me to get more information about how their children could get started in the program.

Appendix B: Current \$10,000 Degree Programs

Using data provided by the THECB, the *Austin American-Statesman* compiled the following list of \$10,000 degrees.

COST OF EDUCATION

\$34,324: The current average four-year charge for tuition, fees and books at public universities

\$4,740: The current average four-year charge for books at public universities

LOW-COST BACHELOR'S DEGREE PROGRAMS AT A GLANCE

Prices include community college charges, if any, but unless noted, do not include the price of books, which currently cost the average student \$4,740 for a four-year degree program.

University of Texas of the Permian Basin

Bachelor's in math, chemistry, computer science, geology and information systems. Tuition and fees for \$10,000 if a 3.0 grade-point average and a 15-credit load are maintained.

Texas A&M University-San Antonio

Bachelor of applied arts and sciences with an emphasis on information technology and security. A little less than \$10,000 for tuition and fees. Eighty-seven credits must be earned through the Alamo community college district, 60 of them for free in high school.

Sul Ross State University Rio Grande College

Bachelor's degrees in biology, chemistry and math. Requires 30 dual high school credits, 30 at Southwest Texas Junior College and 60 at Sul Ross. Students who maintain a 3.0 GPA and a 15-credit load will receive deferred grant aid totaling \$2,122 by the time they graduate, keeping the charge for tuition and fees to \$10,000, including the cost of junior college credits.

Texas A&M University-Commerce and South Texas College

Bachelor's in organizational leadership, focusing on business skills. Substantially online. Students advance at their own pace as they master competencies. First-time students could finish in three years for about \$14,000, including electronic texts and other course materials.

Tarleton State University

Bachelor's programs in business. About \$10,000 in tuition and fees assuming a mix of credit for previous work experience or training, classes at Tarrant County College, a community college, and upper-division courses at Tarleton's satellite campuses in Fort Worth, Waco or Midlothian.

Texas A&M University-TeXarkana

Bachelor's degrees in business administration and applied arts and sciences. As low as \$10,605 for tuition and fees, assuming substantial coursework at Texarkana College, a two-year school, plus credit for certain work experience, corporate training or military training.

Midland College

Bachelor's in organizational management. About \$10,000 in tuition, fees and books, assuming an associate degree is first earned in a lower-cost program such as criminal justice as opposed to one like information technology with higher fees.

Sources: Texas Higher Education Coordinating Board, colleges and universities

Appendix C: Upcoming Programs



23 July 2012 – For immediate release

Media contact: kristinsul@uta.edu, 817-272-5364

UT Arlington partners with Arlington, Mansfield school districts, TCC to streamline path toward affordable, accelerated college degree

ARLINGTON – The University of Texas at Arlington announces renewed partnerships with the Arlington and Mansfield school districts and Tarrant County College to aid dedicated students on their path to earning a full bachelor's degree.

Through agreements signed today, the two school districts, TCC and UT Arlington pledge to provide additional staff and scholarship resources to guide students and families who want the highest quality education from high school through college.

The initiative will encourage high school students who complete 24 semester credit hours of dual credit college courses in their junior and senior years to advance to [Tarrant County College](#) to earn their associate degree. The high school college-credit courses allow students to earn high school and college credit simultaneously, with the potential to earn up to a year of college credit toward their undergraduate degree.

UT Arlington and TCC admissions and academic advising staff will work with students to ensure that they take courses accepted toward their bachelor's degree from the four-year institution. High-performing transfer students would be eligible for a UT Arlington scholarship of up to \$10,000.

Students who complete all three phases of the program and qualify for the scholarship could save \$25,000 off the total cost of their undergraduate education and earn a college degree for less than \$10,000 in tuition and fees.

UT Arlington President James D. Spaniolo commended TCC Chancellor Erma C. Johnson Hadley, TCC senior staff and leaders of the Arlington and Mansfield school districts for development of the partnership.

“Ultimately, we all want to help as many students as possible earn their college degrees and fulfill their potential,” Spaniolo said. “UT Arlington is committed to ensuring that students who invest their efforts in dual credit courses and take advantage of the excellent associate degree programs through Tarrant County College will achieve a high quality bachelor's degree at a cost most can manage.”

Chancellor Johnson Hadley noted that an accelerated degree plan allows students who successfully complete the three stages of the program to achieve significant savings, which also benefits taxpayers who support educational institutions.

“It absolutely takes the community college component to make this happen,” Johnson Hadley said. “And when the independent school districts get involved with the dual credit programs, we are creating a lot of opportunity for our students.”

Marcelo Cavazos, interim superintendent for the Arlington school district, said more than 700 district students enroll in dual credit courses each year. He commended his colleagues for working to align high school and college courses to smooth the path to a college degree.

Mansfield school district Superintendent Bob Morrison said the initiative removes a critical barrier by increasing college affordability for students and their families. The district enrolls about 370 students a year in dual credit courses.

For more information about the accelerated degree plan, please contact the UT Arlington Admissions Office at beamaverick@uta.edu or call 817-272-6287 (MAVS). General admissions information is available online at <http://www.uta.edu/uta/admissions.php>.

The University of Texas at Arlington is a comprehensive research institution in the heart of North Texas. For more information, please visit www.uta.edu.

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Endnotes

¹ Pew Research Center, "Is College Worth It? College Presidents, Public Assess, Value, Quality and Mission of Higher Education" (15 May 2011).

² Baselice & Associates, Inc. "A Tabulation of Survey Results Among Voters in Texas" (Nov. 30-Dec. 2, 2010); commissioned by the Texas Public Policy Foundation). The survey also found:

- Seventy-one percent of voters—44 percent strongly—believe that Texas colleges and universities can improve teaching while reducing operating costs.
- Eighty-seven percent of Texans believe that the most important purpose of a university is to educate students, while only 6 percent say it is to conduct research.
- By a margin of 81 percent to 14 percent, respondents believe that tuition dollars should be used to teach students and not be used to subsidize research.
- Eighty-seven percent of voters believe college professors should be required to teach in the classroom at least six hours per week (9 percent disagree).

When asked how universities should deal with budget shortfall, the **top three choices** of voters were:

- (1) Reduce administrative overhead;
- (2) Delay new facilities; and
- (3) Require professors to teach more students and do less research.

Raising tuition or taxes were the **least favorable options**, at 6 percent and 10 percent respectively.

- Eighty-one percent believe that colleges and universities can be run more efficiently.
- Ninety percent of voters believe there should be measurements in place to determine the effectiveness of the education delivered and material learned by students at colleges and universities, while only 7 percent disagreed.

³ In Texas, average tuition at public colleges and universities has increased five percent a year since 1994. Yet median family income in the state declined 1.5 percent from 1999-2009. Tuition deregulation overview. Texas Higher Education Coordinating Board (Apr. 2010).

⁴ <https://www.salliemae.com/> (2012) p. 6.

⁵ www.thesustainableuniversity.com.

⁶ Ibid.

⁷ Edmund Burke, *Reflections on the French Revolution*. Vol. XXIV, Part 3. [1790]. The Harvard Classics (New York: P.F. Collier & Son, 1909-14; para. 136).

⁸ "Text of Gov. Perry's State of the State Remarks, February 8, 2011" *Texas Tribune*.

⁹ Approximately one week after his State of the State Address, the governor offered further details in a follow-up letter to university presidents: "Programs may include online and blended classes; classes at no-frills campuses; credit for prior learning, dual credit and Advanced Placement; and open-source textbooks," he wrote. His letter to the university presidents also envisioned that 10 percent of their degrees ultimately would be available for \$10,000. (Cited in "Texas Has a \$10,000 Degree — But for How Long?" by Reeve Hamilton, *Texas Tribune* (10 Feb. 2011).

¹⁰ Ralph K.M. Haurwitz, "Perry's call for \$10,000 bachelor's degrees stumps educators," *Austin American-Statesman* (11 Feb. 2011).

¹¹ According to an article by Steve Kolowich that appeared in *Inside Higher Ed*, "Perry is not the first Republican governor to turn heads by suggesting that colleges could use technology to vastly reduce the cost of degree programs without sacrificing quality. Last summer [of 2010], Tim Pawlenty, then the governor of Minnesota, suggested that students should be able to pay \$199 per course for "iCollege." (While Pawlenty was inspired by Steve Jobs, Perry's muse was rival tech cynosure Bill Gates. At a conference in San Francisco last August [2010], Gates said that a four-year bachelor's program should cost \$2,000 per year, not \$20,000. Accounting for textbooks, Perry's math roughly matches Gates's.)" (Cited in "The \$10,000 Question" by Steve Kolowich, *Inside Higher Ed*, February 14, 2011.)

¹² "Andy Brown says nobody in higher education believes \$10,000 bachelor's degree is possible." In "PolitiFact Texas," *Austin American-Statesman* (22 Feb. 2011).

¹³ "Perry's call for \$10,000 bachelor's degrees stumps educators."

¹⁴ Ibid.

¹⁵ Ralph K.M. Haurwitz, "Agency embraces Perry's \$10,000 degree plan," *Austin American-Statesman* (27 Apr. 2011).

¹⁶ Cited in "Texas Has a \$10,000 Degree— But for How Long?"

¹⁷ Melissa Ludwig, "A four-year degree for \$10,000? It's possible," *San Antonio Express-News* (11 Feb. 2011).

¹⁸ Ibid.

¹⁹ For further details, see my article, "Texas' \$10,000 Degree," *National Review Online* (5 Apr. 2012).

²⁰ Richard Arum and Josipa Roksa, *Academically Adrift: Limited Learning on College Campuses* (Chicago: University of Chicago Press, 2011).

²¹ See my earlier discussion of the Sallie Mae survey, above.

²² For further details on TAMU-SA's pioneering efforts, see "Appendix A: Interview of Texas A&M-San Antonio's Dr. Carolyn Green."

²³ Reeve Hamilton, "College Presidents Say \$10,000 Degrees Available Now," *Texas Tribune* (6 Mar. 2012).

²⁴ This discussion is based on my essay, "The Texas Model of Higher Education Reform," *Huffington Post* (3 July 2012).

²⁵ Bill Hethcock, "Texas A&M-Commerce Develops \$10K Degree," *Dallas Business Journal* (15 June 2012).

²⁶ Ibid.

²⁷ Ibid.

²⁸ University of North Texas System web site: <http://untsystem.edu/news/2011/July/11-07-21-unt-d-mba-weekend.htm>.

²⁹ Ibid.

³⁰ Ibid.

³¹ A complete list of these new programs is provided in **Appendix B: Current \$10,000 Degree Programs.**"

³² Kevin Kiley, "What Will \$10,000 Get Me?" *Inside Higher Ed* (9 May 2012).

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Feldman and Archibald's source for these numbers is the Delta Cost Project: <http://www.deltacostproject.org/>.

³⁹ "What Will \$10,000 Get Me?"

⁴⁰ N.B.: These numbers assume that Permian Basin's current, \$15,000-a-year cost of educating students is fixed. Accordingly, Feldman and Archibald arrive at their 85 percent number simply by dividing UTPB's current cost by 10,000.

⁴¹ "What Will \$10,000 Get Me?"

⁴² See Kevin Kiley, "Not From My Wallet," *Inside Higher Ed* (29 Feb. 2012).

⁴³ Thomas K. Lindsay, "Higher Education Affordability," *Texas Public Policy Foundation Guide to Legislators: 2013*.

⁴⁴ "What Will \$10,000 Get Me?"

⁴⁵ "Text of Gov. Perry's State of the State Remarks, February 8, 2011" *Texas Tribune*.

⁴⁶ "Going the Distance: Online Education in the United States, 2011" The Sloan Consortium.

⁴⁷ I expand on this topic in "The Future Face of Higher Education: Online Learning in the New Economy," Texas Public Policy Foundation (June 2012).

⁴⁸ "UW Flexible Degree," Office of Governor Scott Walker, State of Wisconsin (June 2012).

⁴⁹ Ibid.

⁵⁰ Ralph Haurwitz, "Texas branch of Western Governors University making mark in cyberspace," *Austin-American Statesman* (22 Apr. 2012).

⁵¹ The preceding two paragraphs draw from my "The Future Face of Higher Education."

⁵² I attempt to deal at length with the subject of online learning in "The Future Face of Higher Education."

⁵³ "U.S. Higher Education at 'Tipping Point' with One-Third of Schools Financially Unsustainable," Sterling Partners (23 July 2012).

⁵⁴ www.thesustainableuniversity.com.

⁵⁵ Ibid.

⁵⁶ "U.S. Higher Education at 'Tipping Point' with One-Third of Schools Financially Unsustainable."

⁵⁷ Ibid.

⁵⁸ "How America Pays for College 2012: A national study by Sallie Mae and Ipsos."

⁵⁹ Ibid. "Telephone interviews about how families paid for college in academic year 2011-12 were conducted with 801 undergraduate college students, ages 18 to 24, and 800 parents of undergraduates."

⁶⁰ Ibid., 6.

⁶¹ My thanks to Professor Joshua Hall of Beloit College for calling my attention to this study and to its implications for my thesis regarding the revolution of rising expectations in American higher education.

⁶² "What Will \$10,000 Get Me?"

⁶³ I present the results of the latest studies of online education's learning outcomes in "The Future Face of Higher Education; Online Learning in the New Economy." There I write that in 2009, the U.S. Department of Education published a review of 44 studies evaluating post-secondary students. The Department report concluded that "students who took all or part of their class online performed better, on average, than those taking the same course through traditional face-to-face instruction." In its concluding section, the report's authors are quick to qualify the above statement with the following: "When used by itself, online learning appears to be as effective as conventional classroom instruction, but not more so. However, several caveats are in order. Despite what appears to be strong support for blended learning applications, the studies in this meta-analysis do not demonstrate that online learning is superior as a medium. In many of the studies showing an advantage for blended learning, the online and classroom conditions differed in terms of time spent, curriculum and pedagogy. It was the combination of elements in the treatment conditions (which was likely to have included additional learning time and materials as well as additional opportunities for collaboration) that produced the observed learning advantages."

It is important to note that the Department report next qualifies its own qualification: After appearing to walk back from the conclusion that "online learning is superior as a medium," the reports adds, "At the same time, one should note that online learning is much more conducive to the expansion of learning time than is face-to-face instruction. That is to say, the Department report is reluctant to grant online learning any superiority other than that it is more conducive than face-to-face learning to "the expansion of learning." Some wonder whether this distinction constitutes a true difference.

In any event, the Department report is far less guarded when it comes to the superiority of blended learning over face-to-face instruction: "In recent experimental and quasi-experimental studies contrasting blends of online and face-to-face instruction with conventional face-to-face classes, blended instruction has been more effective, providing a rationale for the effort required to design and implement blended approaches."

A more recent analysis has far fewer reservations. "When technology is used, it boosts student achievement," writes John E. Chubb in the April 2012 study, *Education Reform for the Digital Era*, prepared for the Thomas B. Fordham Institute. While his focus is on K-12 education, Chubb's observations are equally applicable to higher education: "Online programs allow schools to customize instruction to individual student needs. They also offer students one-on-one tutoring by teachers working remotely. . . . In sum, technology can bring many instructional tools to the student that a regular classroom teacher simply cannot."

⁶⁴ Ibid.

⁶⁵ "What Will \$10,000 Get Me?"

⁶⁶ Pew Research Center, "Is College Worth It? College Presidents, Public Assess Value, Quality and Mission of Higher Education" (15 May 2011).

⁶⁷ Baselice & Associates, Inc. "A Tabulation of Survey Results Among Voters in Texas" (Nov. 30 - Dec. 2, 2010).

⁶⁸ See note 20, above.

⁶⁹ Daniel de Vise, "Trying to assess learning gives colleges their own test anxiety," *Washington Post* (14 Mar. 2012).

⁷⁰ Keith O'Brien, "What Happened to Studying?" *Boston Globe* (4 July 2010). The article goes on to note: "The decline, Babcock and Marks found, infects students of all demographics. No matter the student's major, gender, or race, no matter the size of the school or the quality of the SAT scores of the people enrolled there, the results are the same: Students of all ability levels are studying less."

"It's not just limited to bad schools," Babcock said. "We're seeing it at liberal arts colleges, doctoral research colleges, masters colleges. Every different type, every different size. It's just across the spectrum. It's very robust. This is just a huge change in every category."

⁷¹ Catherine Rampell, "A History of College Grade Inflation," *New York Times* (14 July 2011). The article goes on to note: "... [P]rivate colleges and universities are by far the biggest offenders on grade inflation, even when you compare private schools to equally selective public schools.

By the end of the last decade, A's and B's represented 73 percent of all grades awarded at public schools, and 86 percent of all grades awarded at private schools, according to the database compiled by Mr. Rojstaczer and Mr. Healy. (Mr. Rojstaczer is a former Duke geophysics professor, and Mr. Healy is a computer science professor at Furman University.)

Southern schools have also been less generous with their grading than institutions in other geographic regions, and schools that focus on science and engineering tend to be stingier with their A's than liberal arts schools of equal selectivity.

... [T]he researchers argue that grade inflation began picking in the 1960s and 1970s probably because professors were reluctant to give students D's and F's. After all, poor grades could land young men in Vietnam.

They then attribute the rapid rise in grade inflation in the last couple of decades to a more "consumer-based approach" to education, which they say "has created both external and internal incentives for the faculty to grade more generously." More generous grading can produce better instructor reviews, for example, and can help students be more competitive candidates for graduate schools and the job market.

The authors argue that grading standards may become even looser in the coming years, making it increasingly more difficult for graduate schools and employers to distinguish between excellent, good and mediocre students.

⁷² Ibid.

⁷³ <http://prairiehome.publicradio.org/about/podcast/>.

⁷⁴ Thomas K. Lindsay, "Higher Education Quality." Texas Public Policy Foundation's Guide to Legislators: 2013.

⁷⁵ The University of Texas System has been one of the pioneers in tracking student learning through the Collegiate Learning Assessment. At this writing, the UT System had been administering the CLA for eight years.

⁷⁶ A comparable instrument, the Collegiate Assessment of Academic Proficiency (CAAP), is required by all of South Dakota's public colleges and universities. Per the order of the state's board of regents, every South Dakota public college and university student takes the CAAP.

⁷⁷ CLA is currently developing both a high school and a community college version of its test of learning outcomes. This expansion would make it especially valuable in monitoring the quality of each of the unique aspects of \$10,000 programs such as that offered by Texas A&M-San Antonio (TAMU-SA), whose program consists of 60 hours of dual-credit courses in high school, one year at a local community college, and one final, intense year at TAMU-SA.

⁷⁸ Ralph K.M. Haurwitz, "Governor's \$10,000 bachelor's degrees a work in progress," *Austin American-Statesman* (5 Aug. 2012).

About the Author

Tom Lindsay joined the Texas Public Policy Foundation in September. He is Director of TPPF's Center for Higher Education. He has more than two decades' experience in education management and instruction, including serving as the thirteenth president of Shimer College, "the Great Books College of Chicago." He was named Deputy Chairman and COO of the National Endowment for the Humanities (NEH) in 2007. He joined the NEH staff in 2006, as director of the agency's signature initiative, We the People. When he became Deputy Chairman, he remained director of We the People, providing national leadership and support for the program's efforts to increase understanding of our country's history and founding principles. In the preceding year, he sat on the National Council for the Humanities, a presidentially appointed board that oversees the NEH.

Prior to that, he served as the Provost and Vice President for Academic Affairs of the University of Dallas, where, as the chief academic officer of the university, he was responsible for the administration, direction, integrity and quality of its programs, for the recruitment and development of all faculty, and for the allocation of instructional and academic support resources. He supervised the deans of the University's three Texas-campus colleges (the College of Liberal Arts, the Graduate School of Liberal Arts, and the College of Business, which includes a graduate school of management) as well as the University's Rome, Italy, campus. Before becoming Vice President for Academic Affairs, Lindsay served as the University's Dean of its Braniff Graduate School of Liberal Arts and Director of its Institute of Philosophic Studies.

Lindsay received his B.A., *summa cum laude*, in Political Science, and went on to earn his M.A. and Ph.D. in Political Science from the University of Chicago. His doctoral dissertation compared ancient and modern conceptions of democracy. He has published numerous articles on the subject of democratic education, many of which have appeared in the world's most prestigious academic journals, including *American Political Science Review*, *Journal of Politics*, and *American Journal of Political Science*. In recognition of his scholarship, he was made the Lynde and Harry Bradley Resident Scholar at the Heritage Foundation in Washington, D.C., for 1992-93. This was followed by his being awarded a Research Fellowship from the National Endowment for the Humanities. In 2002, he received his graduate certificate from the Institute for Educational Management Program at Harvard University's Graduate School of Education.

Lindsay's efforts as a teacher and scholar were honored in 1997, when the state Board of Regents presented him the Faculty Excellence Award. In 1999, the leading national organization of political scientists, the American Political Science Association (in conjunction with Pi Sigma Alpha, the national political science honor society) presented Lindsay its Award for Outstanding Teaching in Political Science.

Lindsay recently completed a textbook, titled *Investigating American Democracy: A Core Questions Approach*. The book was published by Oxford University Press in June 2012.

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