

Transcription for

THE KEY WITH INSIDE HIGHER ED

EPISODE 4: SOUTHERN NEW HAMPSHIRE U'S BIG PLAY WITH CAMPUS-BASED LEARNING

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THE KEY INSIDE HIGHER ED

EP. 5: SOUTHERN NEW HAMPSHIRE U'S BIG PLAY WITH CAMPUS-BASED LEARNING

PAUL FAIN

PAUL LEBLANC

KARLA HICKMAN

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NARRATOR: Support for this podcast is provided by the Bill & Melinda Gates Foundation, which is committed to preserving and expanding educational opportunity for today's students. Now more than ever.

PAUL FAIN: Welcome to the Key with IHE, a podcast about how the pandemic and the financial crisis are affecting colleges and students. I'm Paul Fain, a news editor at Inside Higher Ed and the host for this podcast.

Southern New Hampshire University has one of the nation's largest enrollments. Roughly 130,000 students attend the private, nonprofit university's online programs, with another 3000 or so enrolled at its campus in Manchester. SNHU's numbers are up so far during the crisis as well, but the University made news in April with an announcement about its campus programs, specifically the tuition price for the campus offerings this fall and next year. The University will also offer more choice to campus-based students, particularly how they take their courses. To better understand what this means the University and higher education more broadly, I spoke with Paul LeBlanc, SNHU's longtime president, who also leads the board of the American Council on Education.

PAUL LEBLANC: If you've been thinking about shorter term credentials, just-in-time learning, a very skills-based, very aligned to where the jobs are, this is the day that you start that work.

PAUL FAIN: I also interviewed Karla Heckman, Vice President of Research at EAB. Karla responded to the news from SNHU and discussed its meaning for the rest of higher ed.

Now on to the conversation...

Thanks so much for making time for me. Good to see you.

PAUL LEBLANC: It's good to see you too, Paul.

PAUL FAIN: So there's a lot of new these days, and yet, not for the first time, Southern New Hampshire broke through the noise with a big announcement. Would you mind talking a little bit about the basics of what you announced?

PAUL LEBLANC: Yeah, so we announced last Wednesday that, starting in September 2021, tuition for on-campus programs will be \$10,000 a year. And so we figured down from \$31,000 down to \$10,000. Room and board is separate, of course. We're going to try to work on some things with room and board, but it's just much harder. Food costs are food costs, and bed are beds. But we could work on the academic program, on the tuition.

There's a sort of second piece to that, which is for our incoming students, they were planning on a certain kind of program, and we're not going to be offering that program. We know that we're going to be doing something different, right? We have to structurally rethink the whole, and so what we said to them is, look, if you are willing to take a bet that we get it right, and then for your sophomore, junior year, we'll have a \$10,000-a-year program that you will like, come to us. We'll only charge you \$10,000 this year. So we'll start you off a year early, and we will give you a 100-percent innovation scholarship to cover the cost of your tuition to derisk the whole thing. So those students in the first year this coming September will get, they'll only take gen ed courses, because they're the most transferable. So if they don't like what they see, they want to go someplace else, most transferrable, there won't be any out-of-pocket posts for them, for tuition.

So, interestingly, that got a lot of attention, and it got an enormous response. And we announced this to prospective students at nine o'clock, by eleven o'clock, we had more deposits than the previous week. By the end of the day, we broke the one-day records for deposits, and the next day, we broke that record. The phone just exploded. But the big story, of course, is how do you get to a \$10,000-a-year tuition, and then that was big news starting in 2021.

PAUL FAIN: Let's talk for second about this class coming in. Obviously, that's of great concern to many of your peers around the nation, but you all, not what drove this.

PAUL LEBLANC: Yeah, so I will share the story with folks. I've been a college or university president for 24 years. The hardest year I had with 2009 at the height of the last recession. During that time, there were daily multiple calls, emails, pleas, for more financial help. Mom and Dad lost their jobs, the family business is in trouble... It took lots of forms, and we lost a lot of kids. And I remember thinking that that was going to be the worst year of my presidency, and it looks and feels like a dress rehearsal for what's about to hit us.

At the height of that recession, there were 8 million unemployed people, and that was bad. We're at 24, 25, 26 million and counting, and, honestly, in those phone calls, people were saying, were crying, and saying, I was prepared to have the conversation saying, I'm not sure college, we can do college this year. I mean, it was so emotional for our admissions people.

Interestingly, I think everyone thinks we are responding to the current recession. We'd begun this work last October. And at the time, the target we set for ourselves was 2023. So the only thing that's different in our ambition and in our plan, was we looked up and said, you know, with what's going on in the world, our high school seniors and juniors can't wait three years. They don't have three years. We've got to figure this out now.

So we made our life a whole lot harder. We thought three years, right, to do this by 2023, was going to be tough. Now we're going to try to do this in a matter of nine months, six months, seven months, and we don't have the answer yet, Paul. So like we know how to take care of the incoming class, like that's going to be hybrid of online classes, and face-to-face support, assuming we can open that campus, but for September of 21, that's the work of our faculty and staff to say, was does that need to look like?

The last point, I'll stop, is that it's not simply about the academic program, because everyone's focused on what are you going to do differently with faculty and courses and curriculum, we have to look at the whole. So we're looking at how do we leverage our infrastructure around administrative processes, how do we cut costs in administrative processes. We serve 130,000 students online and handle their financial aid, perfectly fine. Why do we need an office on campus that is sometimes very busy, but sometimes not so busy, like, can we leverage what we do? Can we rethink the academic year? Can we rethink the semester? So you start to play with your calendar and your structures. Could we go around the calendar year 12 months a year? Could we move to more CBE? Could somebody graduate in two years and recoup the opportunity costs of not being in the workforce? So I keep saying to people, I know everyone's excited about academics, it's the whole shooting match, folks. You've got to look at the whole. This is systematic.

PAUL FAIN: I really liked the headline on the Education Dive interview, that the future of the campus may be online. But, you know, I made me think another assumption, like that assumption that you might be worried about your classes this fall, Southern New Hampshire does online well, are you, you know, in essence giving up on a campus? I don't think that's the case at all here. It seems more to me, like you say, it's a complete redesign of the academic experience, and it's giving more choice. Is that right?

PAUL LEBLANC: Yeah, in fact, it's kind of the opposite of giving up on the campus. That would actually be easier in some ways. People have said like, why do you bother? It's 3000 students out of 135,000 students. But the board has been unwavering in its commitment to the education of young people coming out of the high schools.

And there's a really important piece, this kind of coming of age job, if I could use the language of my old friend Clay Christensen and **Bob** Moesta. And the job to do done is different than the academic experience. So this is that whole going off and finding out who you are, and study abroad, and playing on a team, like... Our big challenge to ourselves is both those jobs in mind. And there's really... It's much harder to do the coming of age job online. You know, it's not a problem for our adults, because they're 30 years old with kids and a job. They've got all the coming of age they can stand. But for a 17-year-old, it's really important.

PAUL FAIN: Yeah, I've been thinking about that a lot, I know we all have, about painful and difficult this period is for teenagers and young people. Time is different when you're 21 in a spring of your last year of college, versus a 30-year-old, where months fly by. And how do you do that? How do you plan around creating that sort of experience. You all have more experience in that than anymore. But how do you do it?

PAUL LEBLANC: Do you mean if we can't, if we have to stay online, how do we do that?

PAUL FAIN: Yeah, yeah...

PAUL LEBLANC: So if campus can't open and we have to stay online, we know that it can't be a version of our current online program designed for nontraditional students. That might be the core of it, but we're going to have wrap around that a whole lot of support and structure, and as many ways as we can created affinity groups as possible.

It's not ideal, because what it doesn't give you, it doesn't give you life in the dorm. It doesn't give you how to figure out how to live with a roommate. You know, it doesn't give you screwing up your courage and walking onto the gym floor to see if you can make the team. Like it's all of that really growing up stuff we associate with intention residential communities.

But I think what we have to do is treat this a little bit like a plane trip across the country with a toddler, which is like, we've got to be a little forgiving to get people through the other end of this, knowing that we still have a sophomore, junior, and senior year, in which to get and layer in all of the other stuff that's so important. But we have to keep engaged and hopeful, and seeing this first year not as a waste but as something that's a sort of different step towards the bigger journey than what they have.

But I think we have to be a little forgiving of ourselves in this as well. We just lost two students to suicide. And it's heartbreaking. And I think you can't overestimate the amount of pain that students are feeling right now. These were students who came to us with record levels of anxiety and depression, nationally, and we just layered on a global pandemic and an unprecedented recession, maybe depression...

PAUL FAIN: Yeah...

PAUL LEBLANC: Wow! Like, you know, I just, my heart breaks for these kids. And these were two, two terrible... You know, there's nothing worse of a university, right?

PAUL FAIN: Yeah...

PAUL LEBLANC: Worse than losing a student. You know, it doesn't matter, whether it's a car accident, or mental health issues, or challenges... And so we've got to give them hope. Like that's what you lose, right? People lose hope. And then really bad things happen. You have to give them hope.

PAUL FAIN: Yep, good points. So, you know, I think, for a lot of institutions looking at Southern New Hampshire might wonder, what sort of external market shifts that you're anticipating, beyond, you know, improving your experience. You know, we're helping to drive this, which obviously, were accelerated by the pandemic. I know you all have been working on \$10,000 degree for a long time, you've obviously done quite a bit on competency-based education, which we've talked about over the years. But can you talk a little bit about how you, before this all happened, what was driving that urgency?

PAUL LEBLANC: Yeah, one simple fact, students...the families we want to serve were increasingly unable to afford us. So what we saw was, so it plays out in different ways. Our discount rate was climbing on our campus programs, so, right, that means students can't afford you. The amount of borrowing that was required for them to be with us, that was going up. Default rates were inching up. All of those things were at play, and we knew that we had to make a change. We had started this work. We just thought we had more time. I wish we had started it five years ago, because the downward pressure on price is huge. And every year that we don't fix this, we are losing too many students, particularly students who are already from a disadvantaged background, which can class, and race, and, you know, the witch's brew of all those things that go into marginalize communities. It's really in some ways...

Someone said to me, was this a hard decision? It was like really hard in terms of like right now today, I can't tell you what those programs look like. That's the work of our faculty and staff and a whole big taskforce we have, and our innovation team, that's what they're trying to figure out. I can't tell you how we make the finances work quite yet, because we don't know what the program looks like quite yet, so it's hard. But if I reframe that and say, is this the right thing to do? It's a really easy decision. It was, like, yeah! It's the only decision. Like we have to do this, if we're going to stay true to our mission.

PAUL FAIN: All the uncertainty there and the downward price pressure you mentioned, you know, one of the things I think a lot of listeners are going to be wanting to hear from you is, what should I take away for my institution. And, you know, we think a lot about this at Inside Higher Ed, Southern New Hampshire, Western Governors, ASU, I think are in a good place to retool and find programs that work in

the fall, given all the uncertainty, given all the offerings you have, the experience you have online, and, frankly, the revenue. And just kind of stepping back a bit. For folks who don't know, you're the board chair of the American Council on Education. What do you want people to take away from what you're doing, and what pieces of it do you hope more institutions try in these very difficult times?

PAUL LEBLANC: Yeah, so, I've been using this, I've been quoting quite often the first line of Anna Karenina where Leo Tolstoy essentially says, you know, happy families are all happy in the same way, but unhappy families are unhappy in their own way. So for all of us in this sort of amazing, dizzying variety of institutions in America, which is really such a strength and a joy, really, but what you have is like, not sure how much you can take from it, SNHU lesson, or an ASU lesson, or an HNSU lesson, because we're all so different.

What we were able to do was work with the assets we have. And we don't have some considerable assets. We don't have a multi-billion dollar, we don't have a billion-dollar endowment. We don't have... We're not an R1, when don't have this huge research function, right?

So what I would say is that in some ways, treat this like a really high-stakes, tough card game. You're sitting at the table right now. You've been dealt a hand. You can't change the cards. The cards you have are the cards you have. So now, like all the good card players, you have to get really hard-nosed at the cards you want to play. And if I was an R1, I'd be thinking really hard about how do I leverage that research capability? How do I rethink learning? Can I leverage that infrastructure in a way to give a different kind of learning to my students? I don't have that option at SNHU. If I'm a super-wealthy institution, I'm thinking, all right, we've got to think differently about my endowment. I know how I used to like to spend it, but now how do I think about that and what does that allow me to do? But none of the schools you named are in the positions they're in because they've followed the same structural rules. They're all change structures. And I think that's probably going to be, in some ways, it's the hardest thing, but there's no way that cut your way to prosperity.

In terms of an [UNCLEAR], will schools try to do like you did, they shouldn't unless they have exactly the same assets and resources, we just happen to be lucky to be in situation. There are things I wish we had, and we don't. So you play your cards.

The second thing I would say is that there are bunch of things we knew were true long before the pandemic. So we knew that higher education was too expensive for too many people. That is not news. We knew that our business models were increasingly broken. That is not news. We knew that online had

better and better quality. That's not news. We know that a generation of learners who are digital natives are increasingly comfortable being served with digital tech solutions. That's not news. We knew that states had underfunded their public institutions for years and years. That's not news.

The pandemic, it's like rocket fuel to all of those truths. So you can't wait. So if you are going to try to sort of navigate these waters, you can't wait. you have to figure now. All of our governance processes are slow processes of the past, when we had the luxury of time. No one has the luxury of time. Time may be, again, the hourglass may empty by September for a lot of institutions. So how do you move quickly?

And if someone said, what are the things we need to think about, you've got 24, 26 million Americans unemployed and counting. Degree programs will probably not be the answer for many of them. If you've been thinking about shorter term credentials, just-in-time learning, very skills based, very aligned to where the jobs are, this is the day that you start that work.

PAUL FAIN: We will end on that. Thanks so much for sharing your time, your expertise. Always appreciated, particularly now. And I speak for myself, but I think a lot of people listening will be watching the cards that you and your university play in the coming weeks and months.

PAUL LEBLANC: Thank you, Paul. It's always a pleasure, and good luck to everybody. Stay well. America needs higher ed, America's higher ed system, more than ever.

PAUL FAIN: Absolutely. Thanks again.

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So I'm speaking, on a Friday afternoon, with Karla Hickman. Thanks so much for doing this.

KARLA HICKMAN: Yes, Paul, thank you. Thanks for having me.

PAUL FAIN: So Karla, would you mind just talking a little bit about your focus at EAB and what you're working on these days?

KARLA HICKMAN: Sure, so I'm a vice president in EAB Research. I'm with the organization for over a decade now. And, really, a month ago, everything shifted for us, like the rest of the world. We have pivoted, you know, all of our staff to the issues related to the coronavirus and COVID-19, and what that means for higher education, and well as our K-12 education partners. So, that has meant, you know, over a thousand conversations with university and college leaders, and lots of writing and work to pivot what we were doing already on partners' behalf across those 1500 institutions to help them navigate, not just right now, not just the crisis response, but also the ultimate recovery.

PAUL FAIN: And I believe part of what you're doing these days, like me, is doing some podcasting. Is that correct?

KARLA HICKMAN: And that's right. So we have also decided that we needed more opportunities to share information quickly with partners. So we have Office Hours with EAB and recorded some interesting information there and what we're hearing, what we're learning, helping the partners get through the crisis.

PAUL FAIN: Great. Well, check that out, folks, as I will as well. So we're talking about Southern New Hampshire University, as Karla knows well, a very large, successful institution in American higher education. It made some big news, it feels like a few weeks ago, but Paul told me the other day, it was just last week.

KARLA HICKMAN: [LAUGH]

PAUL FAIN: They made some big announcements about their campus-based programs. Any reactions to the topline decisions that they put out there? Anything strike you as particularly notable?

KARLA HICKMAN: You know, when I first read the headline, I'll admit I thought, how clever, right? What a logical extension of this journey that Southern New Hampshire has been on for well over a decade now. It did not surprise me that they were one of the first to make an announcement. I think most people were really talking about the \$10,000 degree. I admit I chuckled a bit, because it's certainly not the first time higher education has talked about a \$10,000 bachelor's degree.

PAUL FAIN: Even Southern New Hampshire... Paul's been...

KARLA HICKMAN: It's not even... That's what I was going to say, College for American, back in 2014, I think it was. So that part was actually less interesting to me. What I thought was really interesting was that they were starting to live out what I've heard Paul LeBlanc talk about before, which is pulling together the online part of SNHU with the campus-based experience, and really bridging that divide. And if you read, when I read, how they were framing the innovation scholarship and the announcement to admitted students, and to prospective and coming students, it seemed clear to me that they were speaking to a very particular student, who would be willing to take on experimentation and co-create what a new undergraduate experience could look like. And so for me, that was the part I found really interesting, that once again, they put the student at the center of strategy and have really thought deeply about who is it that will be attracted to a Southern New Hampshire education.

PAUL FAIN: Dr. LeBlanc is a fan of the Clay Christensen view of higher ed, you know, anticipating change, being where the puck is heading. I definitely, I know as well that they've been experimenting with a lot of this for a while. But, you know, he made a convincing case to me, and I don't want to be glib about this, there is a lot of pain that a lot of colleges are experiencing right now about uncertainty about the fall, and making sure they have enough of a class to stay open. Paul made a pretty strong case to me that that was not at all what Southern New Hampshire is doing with this experiment. Do you buy that?

KARLA HICKMAN: Southern New Hampshire is in an advantaged position as compared to many of their peers, and so I do buy that for them, they can accelerate this experimentation. They have the freedom and flexibility to experiment in a way that many other universities and colleges we work with simply can't. And I don't know that this would necessarily pull from students who might already have had SNHU under consideration. So is this going to pull someone new who's willing to co-create? Maybe at the margins, but I think for them, it's a, we've always been bold, we've always been able to experiment. Now is absolutely the time to be even bolder than before.

PAUL FAIN: So I get that, you know, their online programs are wildly successful, 130,000 students, and I

believe they're up as well. Small campus, 3000 students, he insists they're not giving up on that campus. But I wondered, you know, what market shift are they trying to anticipate here? Why not kind of keep doing what works and coast on your laurels? I know that doesn't work, even when you're the biggest university in the country. But what would you think, what sort of market shift in particular do you think they're trying to get ahead of with this?

KARLA HICKMAN: Yeah, so I think it has been unhelpful in higher education that we continue to ascribe a certain set of characteristics or priorities to the adult student or the online student, both of which I would take some pause when someone tells me they service adults, right? Because they're generalizing lots of people there. But there is this sense that the adult learner or the student who'd be attracted to their online enterprises is fundamentally different from a student who wants a residential campus experience.

And I think what we understand and what I see in this announcement is, actually, those decisions and criteria, what matters to people, that motivates them to go to college, what type of experience they want, there's lot more convergence there than I think people realize. And I think this allows us to understand, and certainly the pandemic has put this into stark relief, you know, how much of that is the classroom instruction? How much of that is the community and the opportunity to live and learn with people around you, and how much of that is the experiential and co-curricular that we wrap around? And I think this experiment gives us a chance to start to understand better what do all students actually value, and which ones are going to be attracted to different models and pathways?

PAUL FAIN: Yeah, and if they're able, you know, I'm speculating here that there's not going to be too much co-curricular or any type of face-to-face activity in Southern New Hampshire's Manchester campus this fall, but I could be wrong about that. But if they are able to, you know, down the road, to really offer a suite of, you know, you can do fully online and still participate in athletics, and, you know, campus life. That's a pretty novel approach, frankly. We haven't really seen much of that, have we?

KARLA HICKMAN: The only institution that I first thought of was Minerva, which, I think, also the image that I always call to mind with Minerva are the two students, shoulder to shoulder in their apartment, taking their online class. [LAUGH] And so it is an online learning experience, but there's still that sense of community and then the opportunity to directly apply that learning, you know, a range of experiences. Now, Minerva, of course, is a global model. Maybe this is getting closer to what they might look like domestically within the US.

And then there are other institutions that I think have also recognized that students need what I'll call multimodal instruction, right? So we already know, you know, a third of all students are taking at least one online course. This, again, is sorting of pushing the boundaries. For many students, how many would be comfortable being that characteristic student sitting in their dorm, taking all their classes online, but then they have their study session, or their small group seminar, or their project-based learning that's actually the in-person component.

PAUL FAIN: The question that I know we've all been wrestling with and reading about, on the other side of this, whenever that may be, how much permanent change occurs in terms of students' preferences, and faculty members for online and hybrid offerings? You know, Paul I thought made, again, a strong case that this is not necessarily a move that many others around the country should emulate. SNHU has some assets and abilities others to do things don't, but they've, even before the pandemic, they've caught some attention with recent moves, the articulation agreement with the two-year colleges in Pennsylvania, what do you see in terms of potential kind of market share that Southern New Hampshire could grab online or on campus, or just institutions like them, Western Governors... How much of a kind of tectonic shift we might be watching here? And beyond that, other lessons that you think other folks could learn from what Southern New Hampshire's doing?

KARLA HICKMAN: In the pandemic, so we've got a public health and an economic crisis copresenting, those institutions who, frankly, a decade ago made a bold decision to either develop a more robust online portfolio, really identify the adult learner or the online student as a priority, they are going to be able to continue consolidating market share.

Think about graduate programs for a moment. I know we've been talking undergrad, but in the graduate online space, you now, one in five students, so about 20 percent of that market, attend only seven schools, SNHU being one of them. Right? Four of those seven are nonprofits. And that will accelerate.

And I think, especially give the uncertainty, concerns around price, concerns around what the fall will look like, many students will flock to those schools who have the established reputation and the established outcome that give them more confidence that that will be, that will safeguard their investment, and that will give them a good educational experience. As opposed to those institutions who, to be honest, were a bit flat-footed because they had not made that signature priority, even for their general education coursework.

PAUL FAIN: Absolutely. Well, I feel like we barely scratched the surface, but I've learned a lot here, and I

hope we can do this again.

KARLA HICKMAN: Absolutely, Paul, and we'll all continue to watch and see how it plays out.

PAUL FAIN: Yes, and again, Office Hours, right, that's the podcast?

KARLA HICKMAN: That's right, Office Hours with EAB.

PAUL FAIN: Check it out, you all. Thanks so much, Karla. Happy Friday.

KARLA HICKMAN: Thanks. You too.

PAUL FAIN: Thanks for listening to this episode of the Key. That's all we've got for this week, but tune in next week as I interview Lindsay McKenzie, a reporter with Inside Higher Ed, and Myk Garn, Assistant Vice Chancellor for new learning models at the University System of Georgia. We talk about the pivot to online by colleges and universities, and what to look for this fall. Catch you then.

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