

**Higher Education Finance in the  
Post-COVID Era:  
Advancing Credential Completion  
for a Sustainable & Equitable  
Future**

MHEC/Lumina Strategy Labs  
Virtual Learning Opportunity  
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**STRATEGY LABS**

State Policy to Increase Higher Education Attainment



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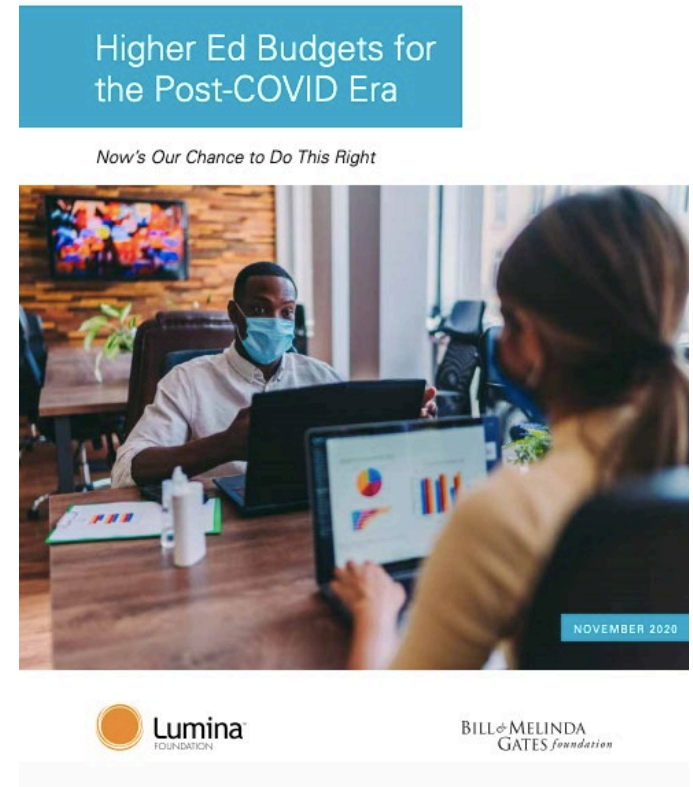
*How can states best navigate the interrelated conditions of COVID-19 and the historical and structural roots of inequities within higher education?*

*How can states target postsecondary investments effectively to ensure more sustained and equitable recovery?*

# Higher Ed Budgets for the Post-COVID Era

## ***Five Principles for Strategic Postsecondary Budget Decisions***

1. Prioritize funding for institutions that can best serve Black, Hispanic, Native American, and low-income students and those institutions that provide timely opportunities for unemployed or underemployed individuals to reskill.
2. Protect and expand need-based financial aid through increased or reallocated investment.
3. Support programs and strategies that advance students' ability to complete credentials.
4. Expand resources and invest differently to drive economic growth.
5. Evaluate and improve system and institutional cost structures.



Source: [Higher Ed Budgets for the Post-COVID Era](#)

# Federal Relief Resources

	CARES	CRRSA	ARP
State	\$139 Billion	N/A	\$220 Billion
HEERF	\$14 Billion 50% for emergency aid	\$21.2 Billion ~50% for emergency aid	\$40 Billion 50% for emergency aid
ESSER	\$13.2 Billion	\$54.3 Billion	\$122.7 Billion
GEER	\$3 Billion	\$4 Billion	N/A

## Principle 3: Support programs and strategies that advance students' ability to complete credentials.



Allocate resources to institutions in ways that protect access while providing incentives for institutions to invest in strategies and reforms that increase student success.



Directly fund accelerated career pathway programs that integrate wraparound services.



Expand funding to high-quality, workforce-aligned credential pathways.



Link state funding with a statewide credit applicability policy.



Use resources to advance cost-effective quality teaching and learning, including open and statewide-shared online learning resources.



Use resources to provide access to technology and broadband.



Principle 1: Prioritize funding for institutions that can best serve Black, Hispanic, Native American, and low-income students and those institutions that provide timely opportunities for unemployed or underemployed individuals to reskill.



Avoid distributing cuts (or new federal funding) to higher education on a pro-rata basis.



Account for and fund differing student needs.



Align funding with the state's needs for an educated and trained workforce.

# Resource inequities exist between institutions and sectors across the MHEC states.

**Resource Inequities: MHEC State Averages, 2018**

Public Institutions by Carnegie Classification	Core Revenues (State and Local per FTE + Tuition per FTE)	State and Local Funding per FTE	Tuition per FTE	% of State's UG	% of State's Black or African American UG	% of State's Hispanic or Latino UG
Primarily Associate	\$13,319	\$8,521	\$4,798	43.7%	55.5%	49.6%
Baccalaureate Colleges	\$14,678	\$7,190	\$7,488	3.8%	5.1%	4.3%
Master's Colleges	\$15,309	\$6,907	\$8,403	15.1%	11.0%	13.6%
Doctoral/Professional Universities	\$16,408	\$6,991	\$9,418	4.6%	4.9%	3.7%
Doctoral Universities: High Research Activity	\$18,963	\$7,735	\$11,228	23.4%	22.2%	21.9%
Doctoral Universities: Very High Research Activity	\$24,654	\$10,038	\$14,617	20.9%	12.6%	17.9%
Special Focus Four-Year	\$32,025	\$15,285	\$16,740	2.2%	1.5%	3.1%

Source: HCM Strategists Analysis

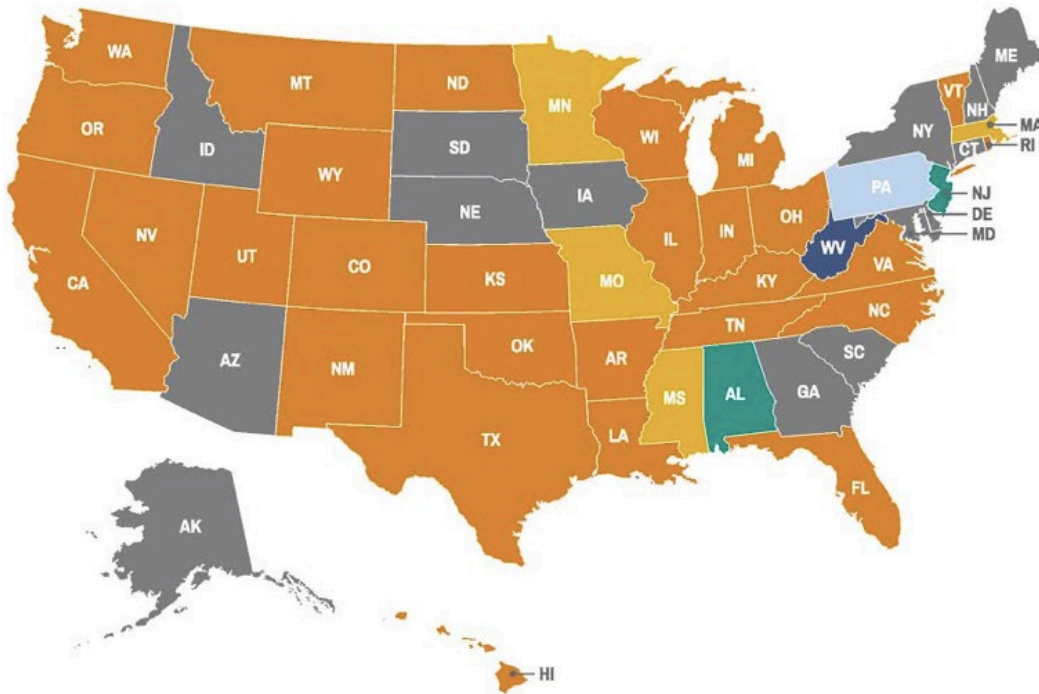
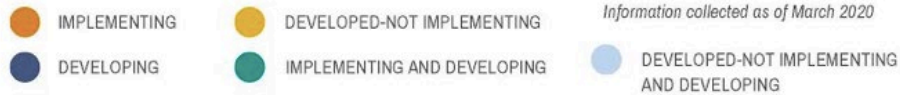
# State Efforts

- During the last decade, faculty, college leaders, systems, and states have focused on what it takes for students to complete the credentials they start—and to do so in a timely way and thus enter or re-enter the workforce quickly.
- Example efforts include:
  - Formula models that align with student success efforts
  - Direct investments in student supports
  - Investments in accelerated career pathways
  - Investments to improve teaching and learning, such as open resources





# Student Success Funding



## Well-designed funding models

- ✓ Align with state goals and priorities.
- ✓ Reward institutions for access and success of all students with a focus on traditionally underserved students.
- ✓ Prioritize student completion and intermediate success.
- ✓ Reinforce the missions of institutions.
- ✓ Are reasonably simple to understand and communicate to various audiences.
- ✓ Include only measurable metrics based on consistently available data
- ✓ Are sustainable, stable, and reliable (don't rely on new money)

# New York's CUNY ASAP program integrates wraparound services into a structured associate degree pathway

- **Supports include**
  - Metro Card
  - Scholarship to cover tuition and fees & Textbook assistance
  - Advisor & Registration support
  - Network/community cohort model
- **Outcomes**
  - **Three-year graduation rate is 52.0%, more than double the 24.6%**
  - Better outcomes for students with developmental needs
  - Benefits across all subgroups, and evidence of gap closure particularly for Black and Latino males.
  - Program has been replicated in Ohio, California, Nashville and West Virginia.
- **Cost**
  - ~ **\$6,000 per degree savings**, due to higher completion rate (higher cost on per FTE basis)
  - Cost per FTE has decreased as the program has expanded

Source: [CUNY ASAP](#)

# Virginia Community Colleges' FastForward program provides training for jobs in high-demand fields

- Average cost to students is \$1,100
  - Various financial aid resources are available to help off-set the costs to students
- Programs take between 6-12 weeks and are flexible to accommodate work schedules.
  - Students are supported by a FastForward coach to explore training options and guide the student through the program
  - Some programs offer a short internship or externship before graduating.
  - 90% completion rate
- Training programs are based on needs of local employers
  - Some programs have guaranteed interview agreements with local businesses.

Source: [FastForwardVA](#)

# Additional Examples

- **Texas:** allocated \$10 million in federal CARES Act funding to improve the quality of online learning
  - Strengthen distance education offerings and institutions' capabilities to use data to support student success
  - Creation of Open Educational Resource course materials
- **Georgia:** Governor's office used GEER dollars to create a competitive grant program to support accelerated learning opportunities, rapid response to transition and student supports due to a disruption to the academic year.
  - Program must use data to target student populations with limited technology/device access, those living in poverty, minoritized racial and ethnic students, other groups most affected by pandemic.
  - Program must include evaluation to support continuous improvement and effective implementation

*“The pandemic did not create inequities in postsecondary opportunity and economic participation; it magnified them. Without a systemic shift that fundamentally transforms the higher education financing system, the economic effects of the pandemic will further widen the gaps between those who can productively and sustainably participate in the workforce and those who cannot. This will ultimately threaten long-term economic sustainability within and across states.”*

# Thank You

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