



The Worth of A Degree UPDATE

ALC-Higher Education Subcommittee, October 20, 2011

www.adhe.edu



Overview

A. The Worth of Degree Programs Across the State

B. College Default Rate, Possible Federal Consequences of Default Increases, and Total Loans by Institution

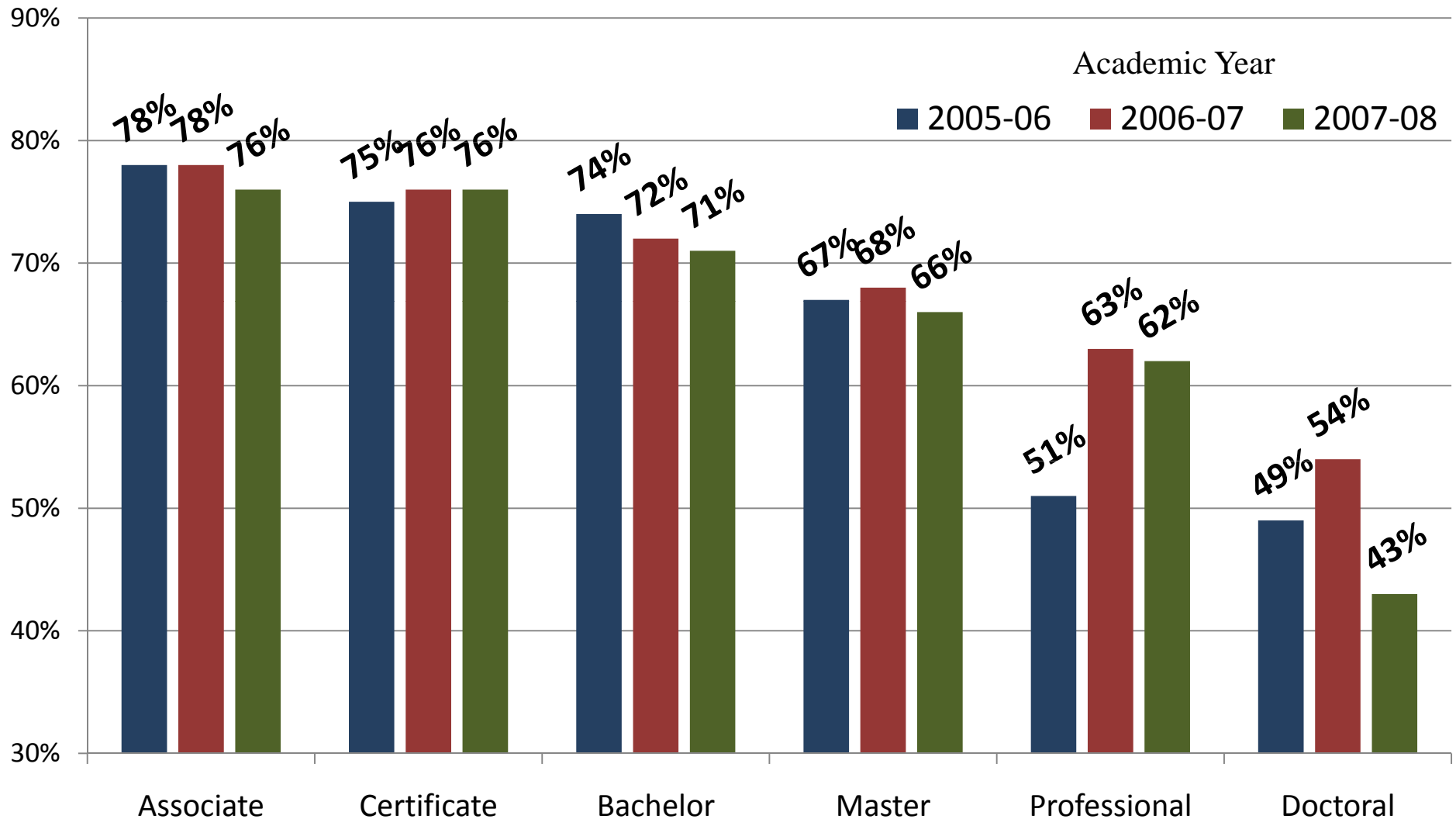
C. Statewide Statistics

D. Amounts Credited Due to the State Scholarship Stacking Policy



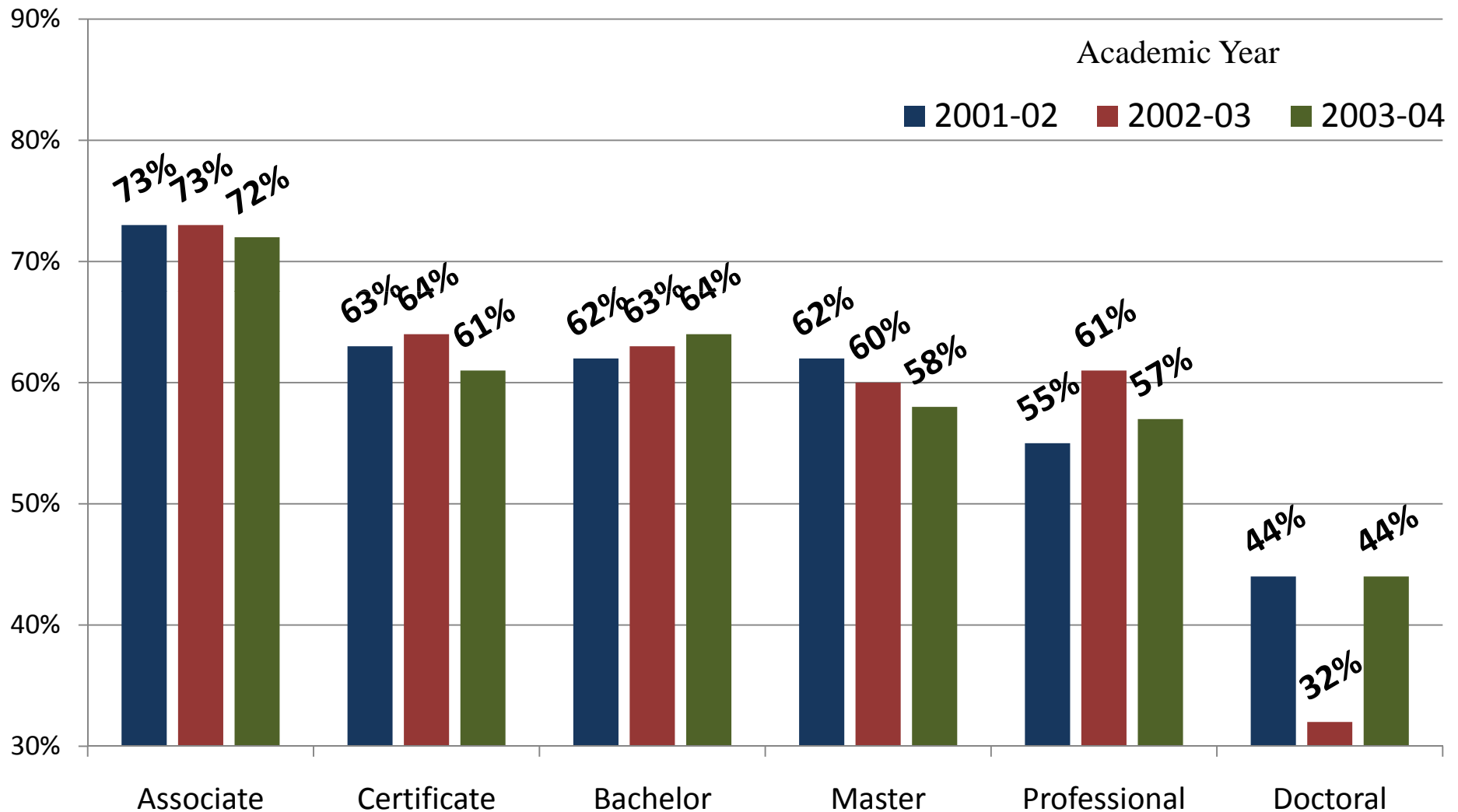
Worth of A Degree In Arkansas

Arkansas Employment After One Year by Degree Level for All Graduates (resident & non-resident)



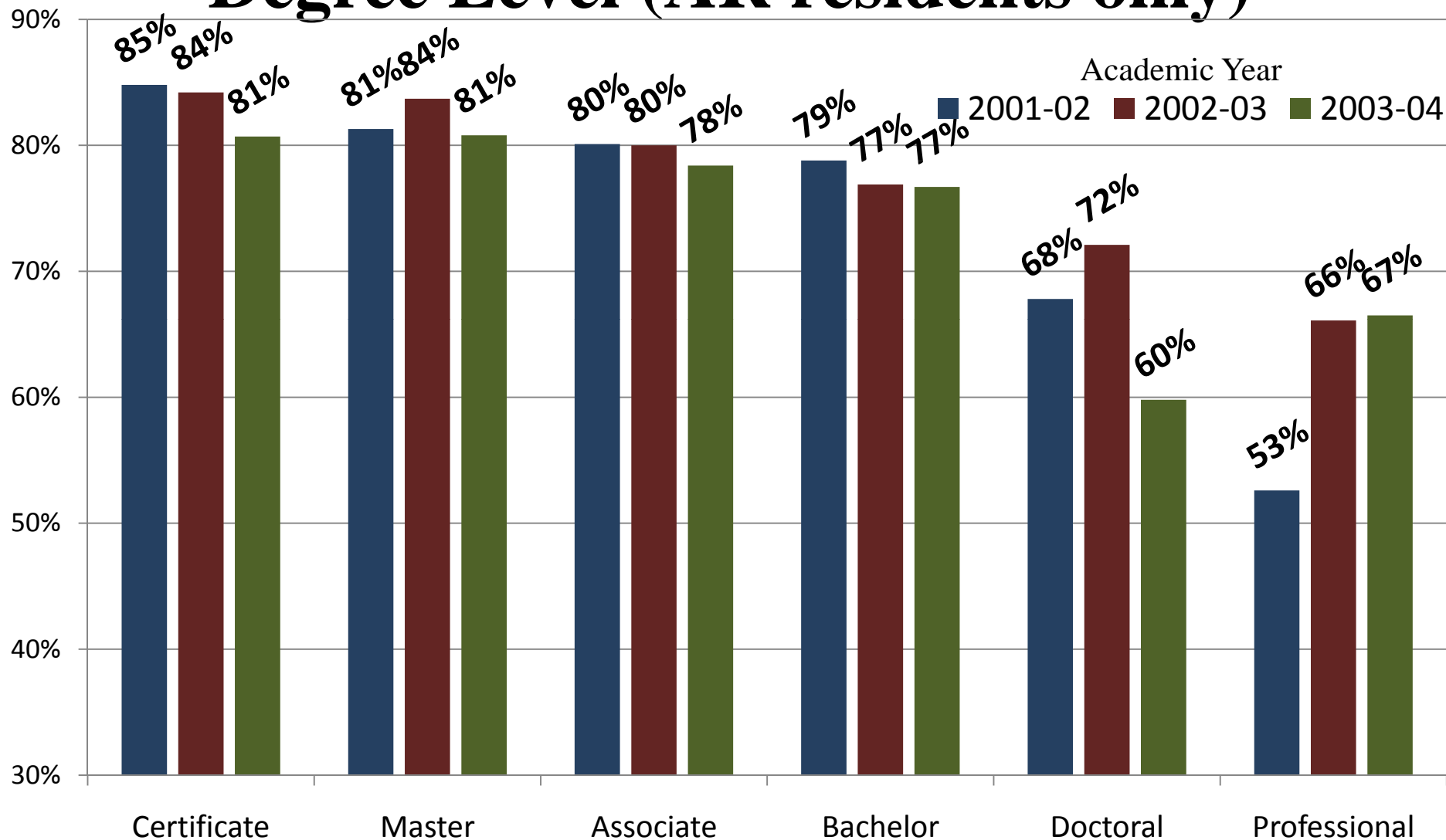
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 2.

Arkansas Employment After Five Years by Degree Level for All Graduates (resident & non-resident)



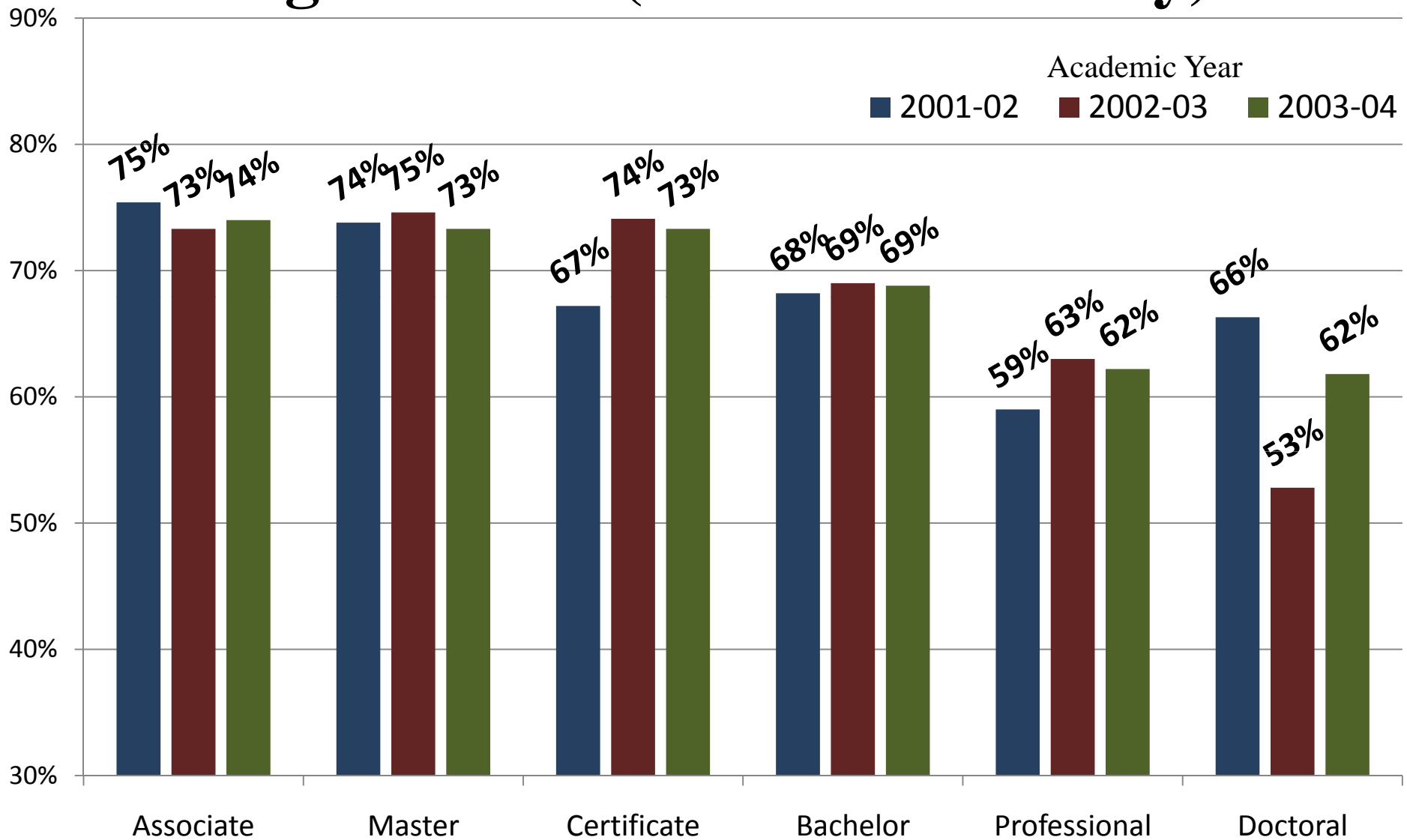
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 1.

Arkansas Employment After One Year by Degree Level (AR residents only)



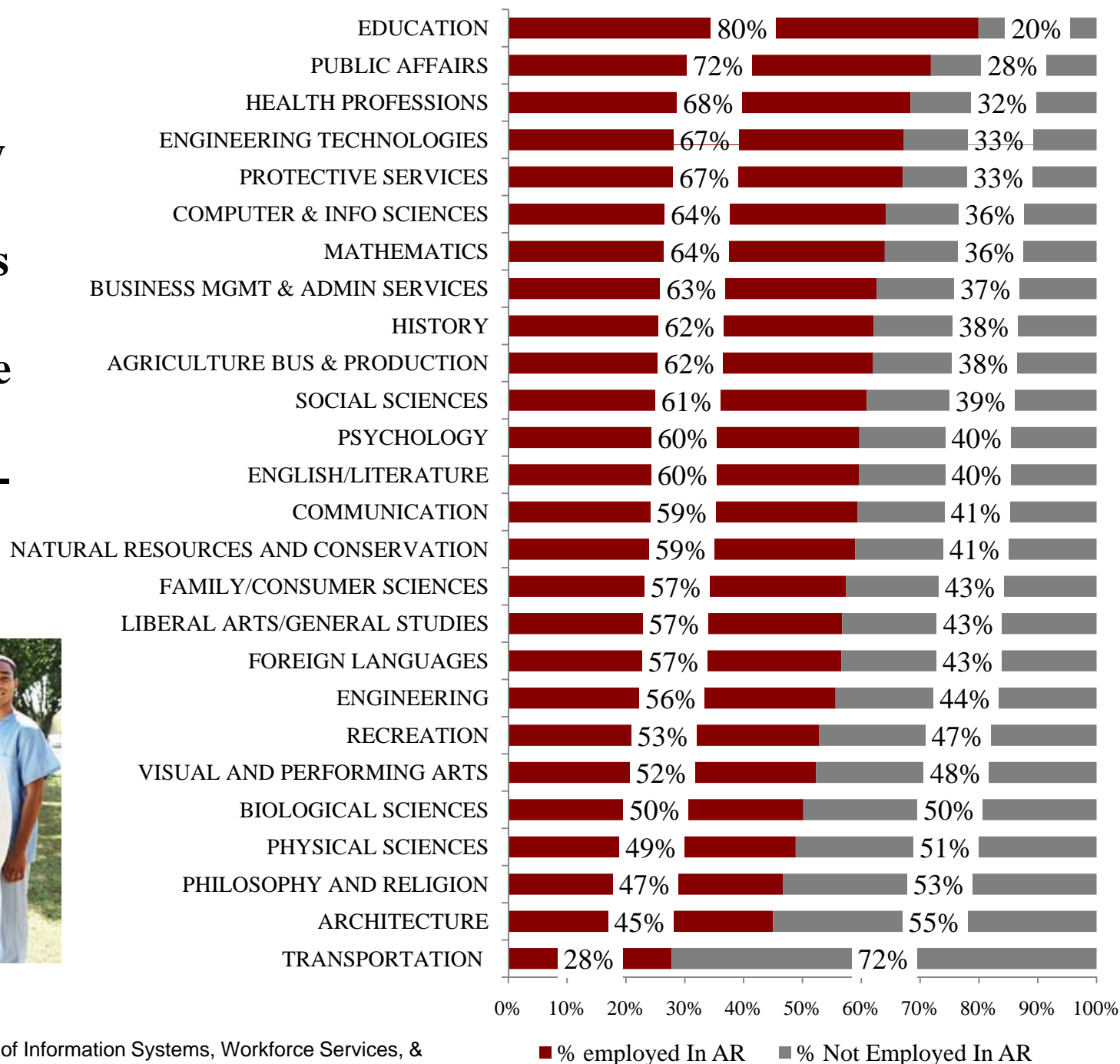
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 12.

Arkansas Employment After Five Years by Degree Level (AR residents only)



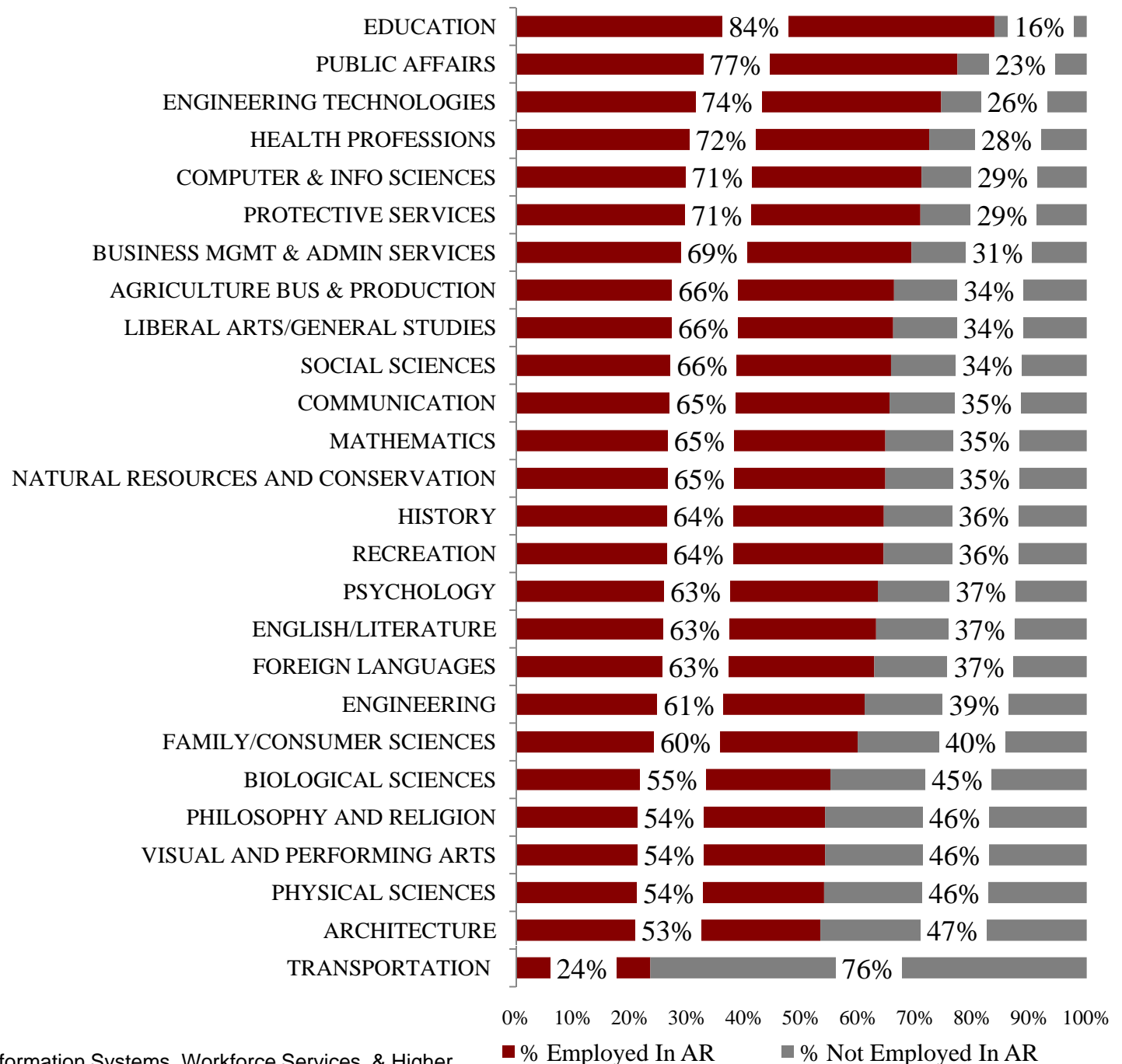
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 12.

Arkansas Employment by Field of Study After Five Years for All 2003-04 Bachelor Degree Recipients (resident & non- resident)



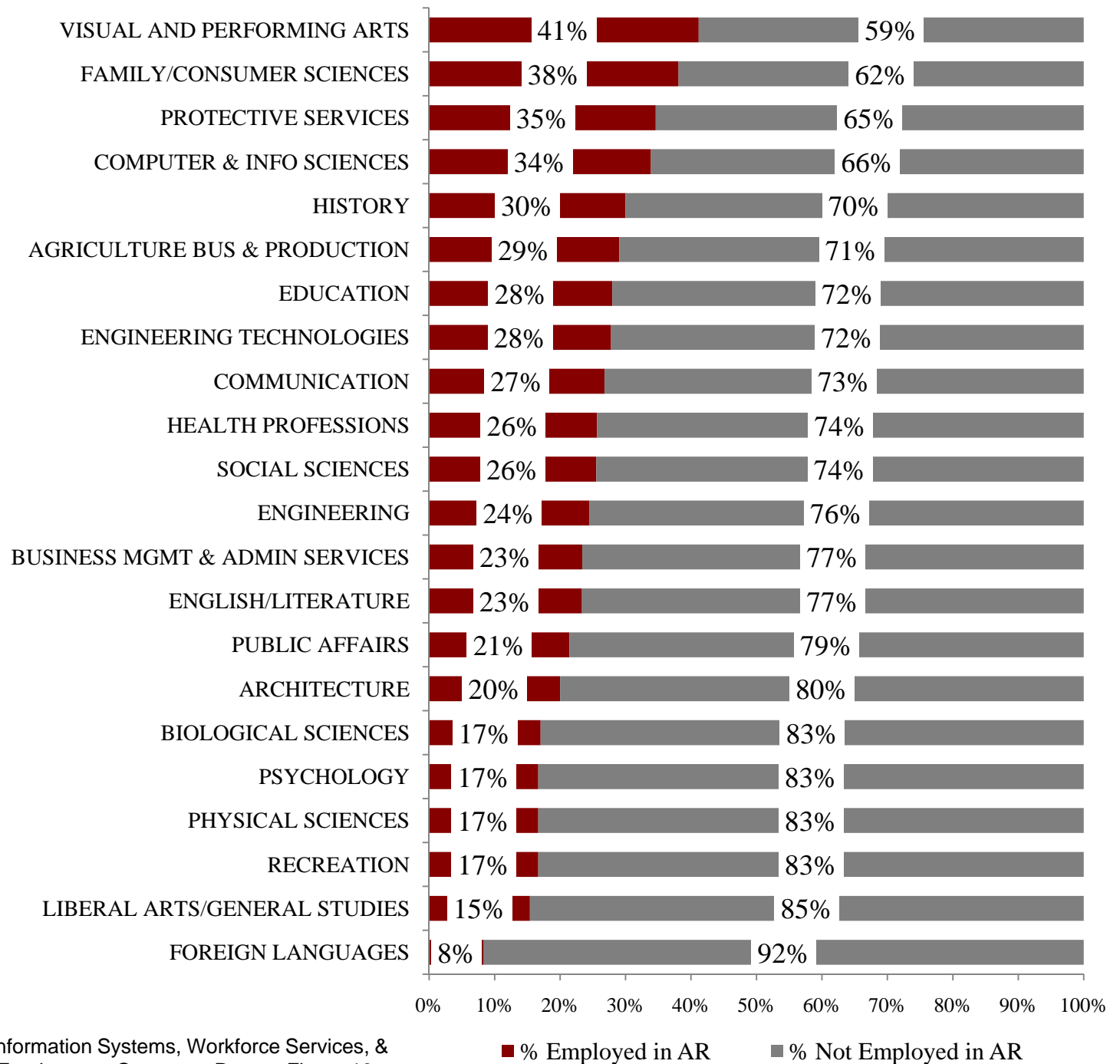
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 5.

Arkansas Employment by Field of Study After Five Years for 2003-04 Bachelor Degree Recipients (AR residents only)



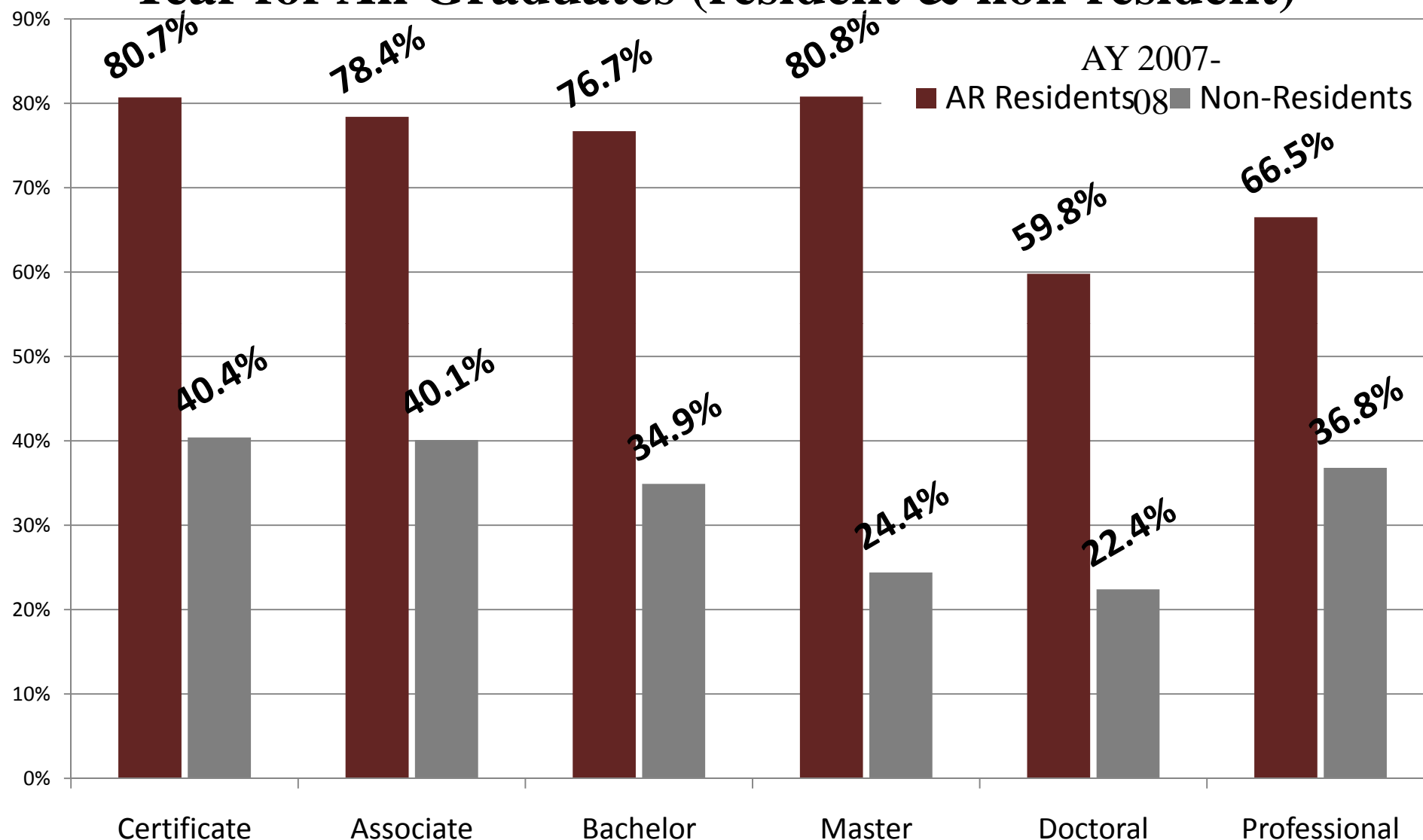
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 16.

Arkansas Employment by Field of Study After Five Years for 2003-04 Bachelor Degree Recipients (non- residents only)



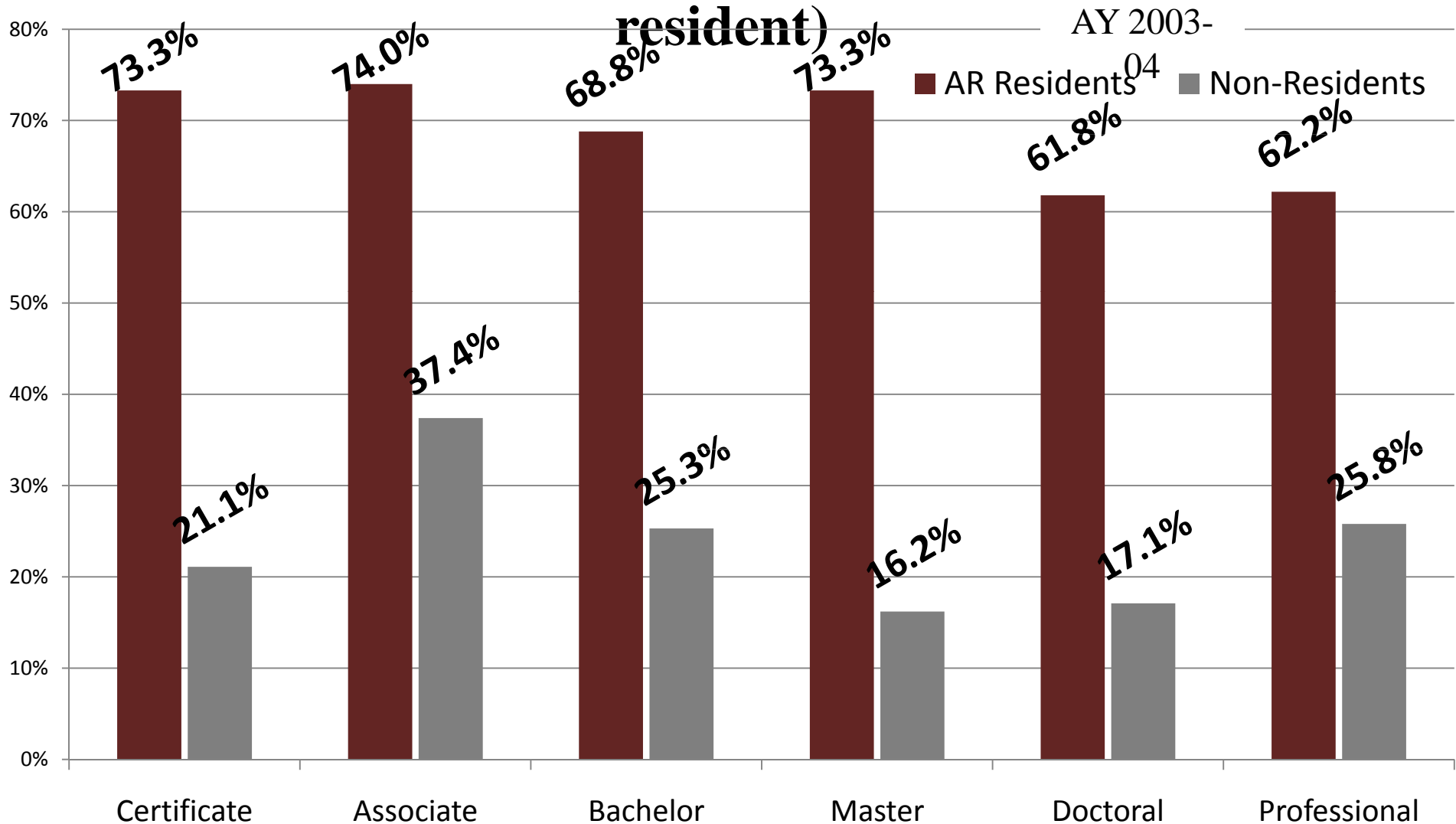
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 19.

Arkansas Employment by Residency Status After One Year for All Graduates (resident & non-resident)



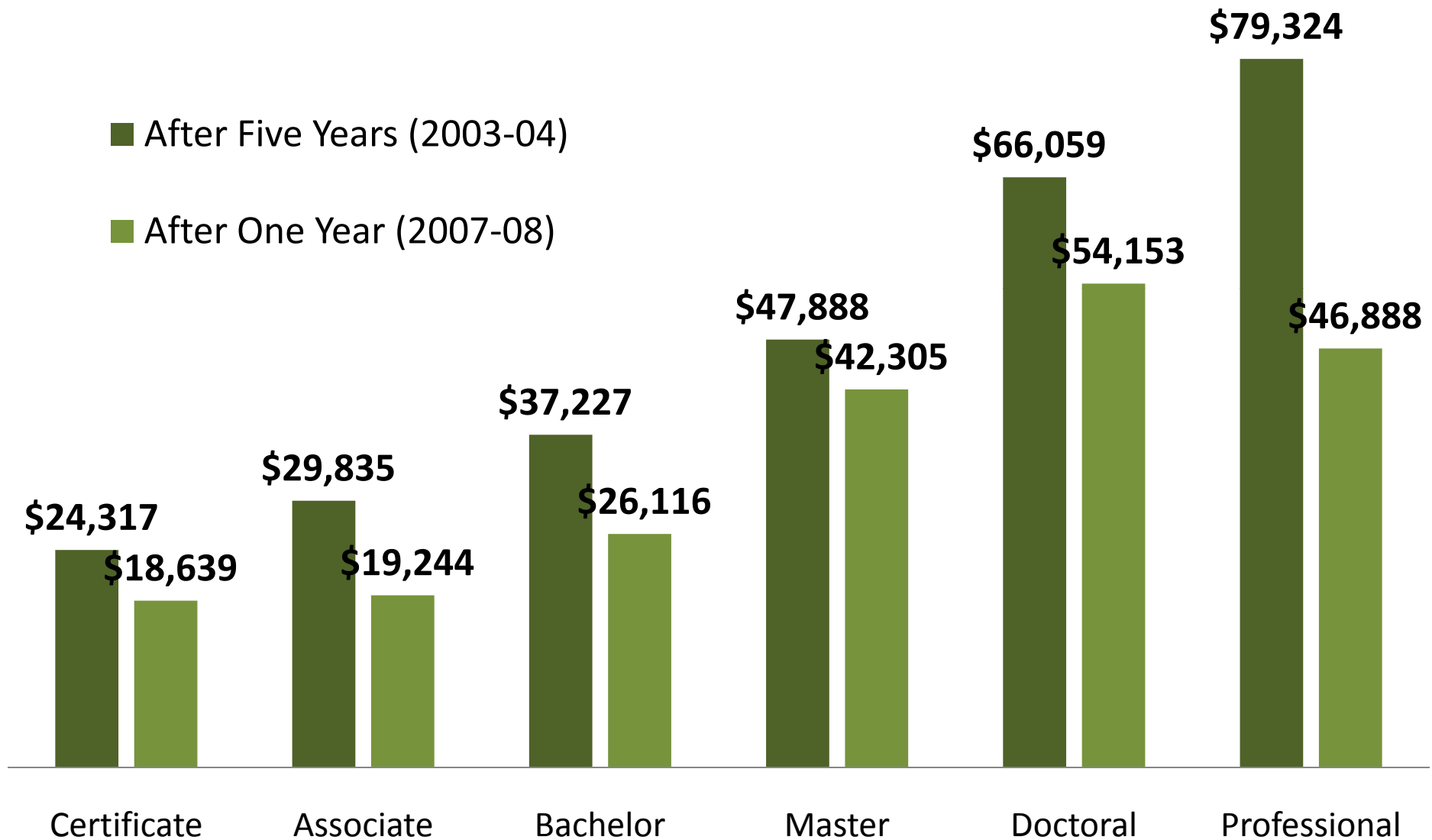
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 7.

Arkansas Employment by Residency Status After Five Years for All Graduates (resident & non- resident)



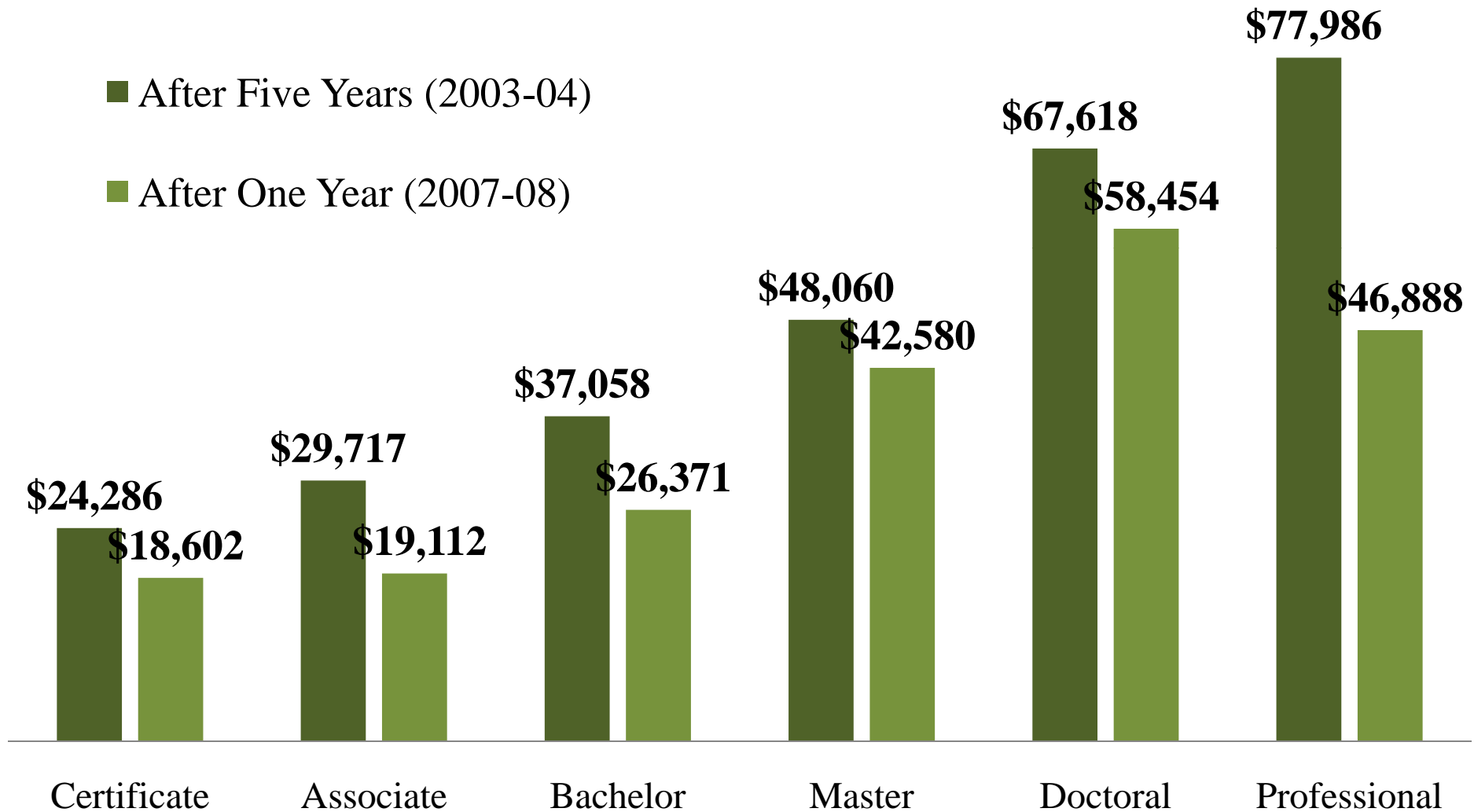
Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 6.

Average Annual Arkansas Salaries by Degree Level for All Graduates (resident & non-resident)



Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 8.

Average Annual Arkansas Salaries by Degree Level (AR residents only)



Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, based on Table 9.

Average Annual Arkansas Salaries by Field of Study After Five Years for All Graduates (resident & non-resident) AY 2003-04



Source: Arkansas Departments of Information Systems, Workforce Services, & Higher Education, 2010 Arkansas Employment Outcomes Report, Figure 11.



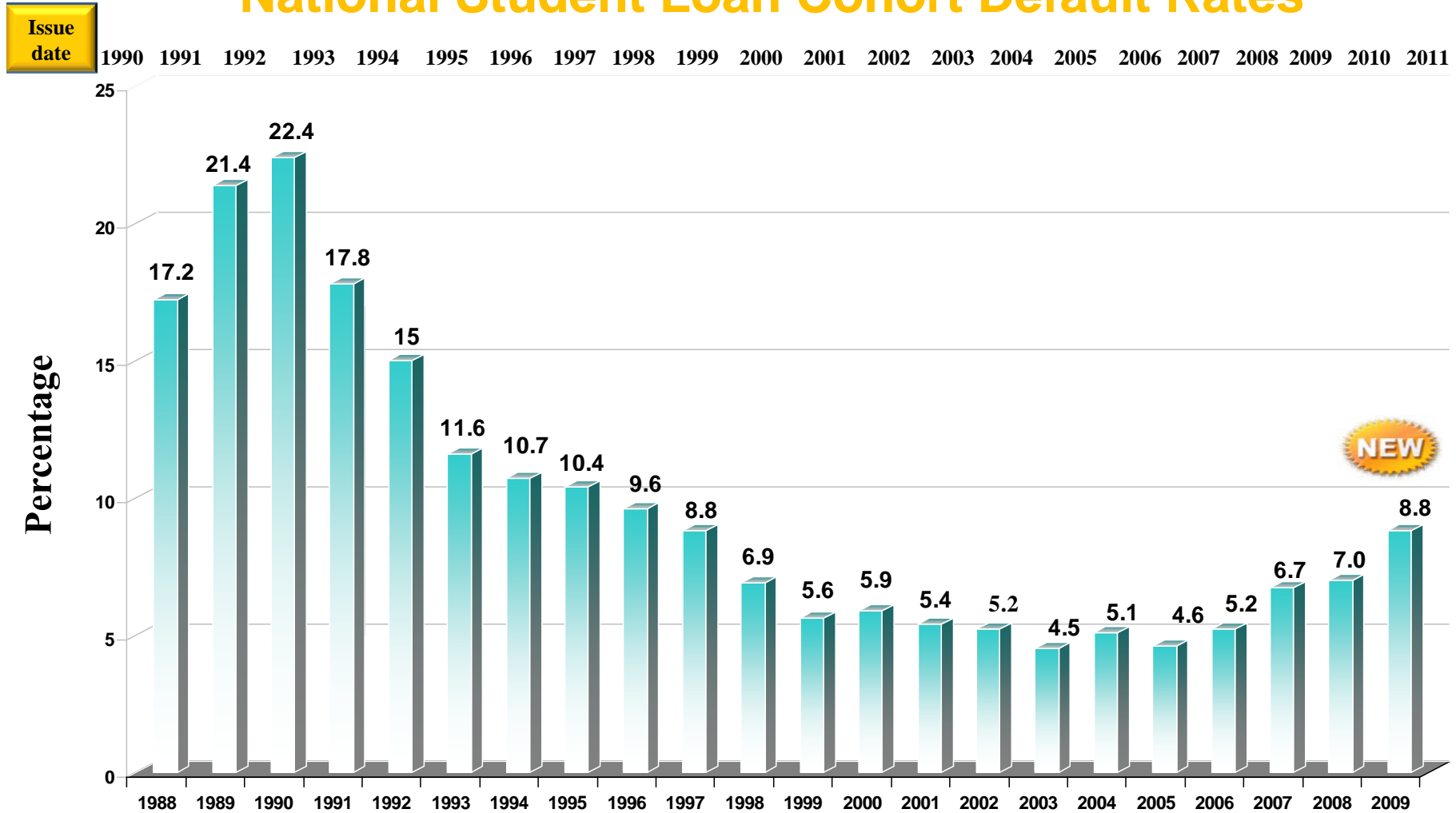
College Default Rate, Possible Federal Consequences of Default Increases, and Total Loans by Institution

How college is paid for has changed

- In 1970's: 80% of the cost of attendance could be covered by a Pell grant
- Today, less than 40%



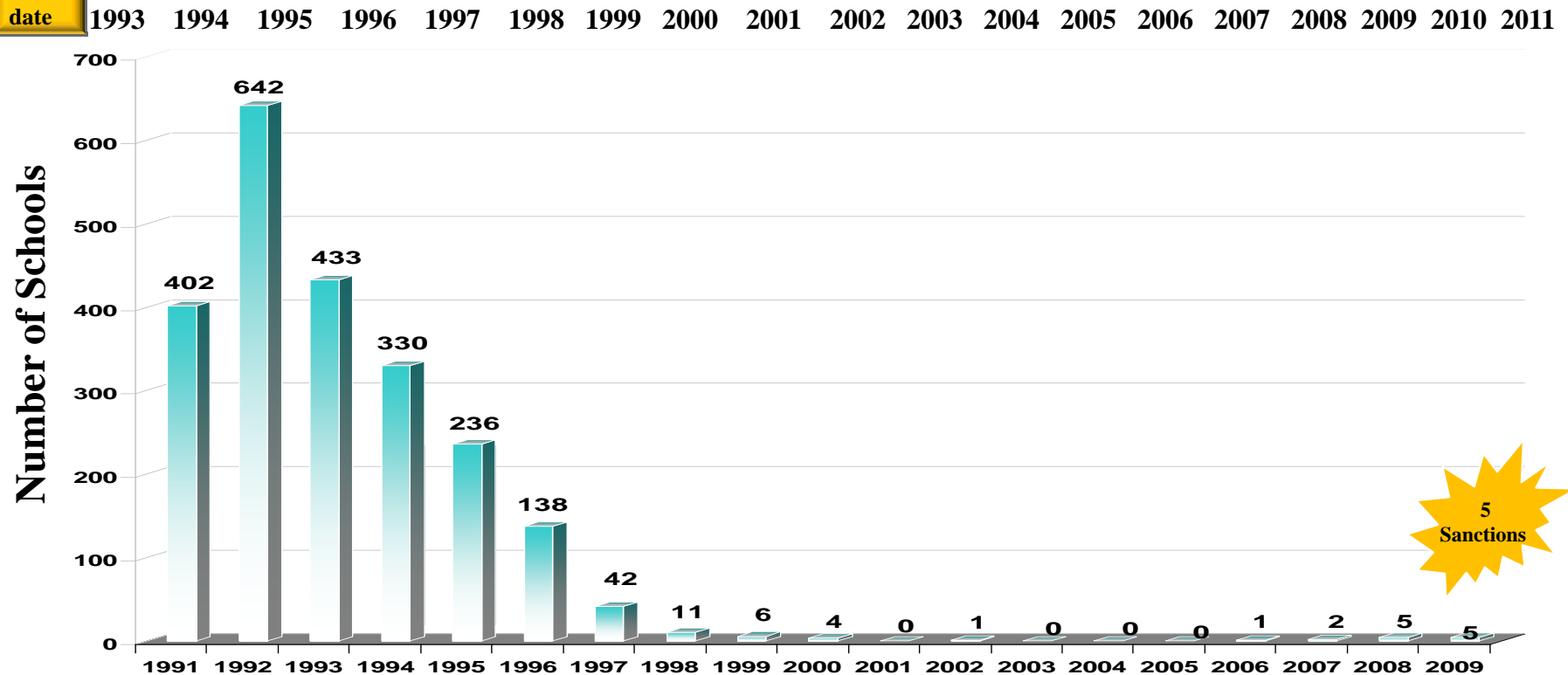
National Student Loan Cohort Default Rates



Source: 2011, U.S. Department of Education.

Schools Subject to Sanctions

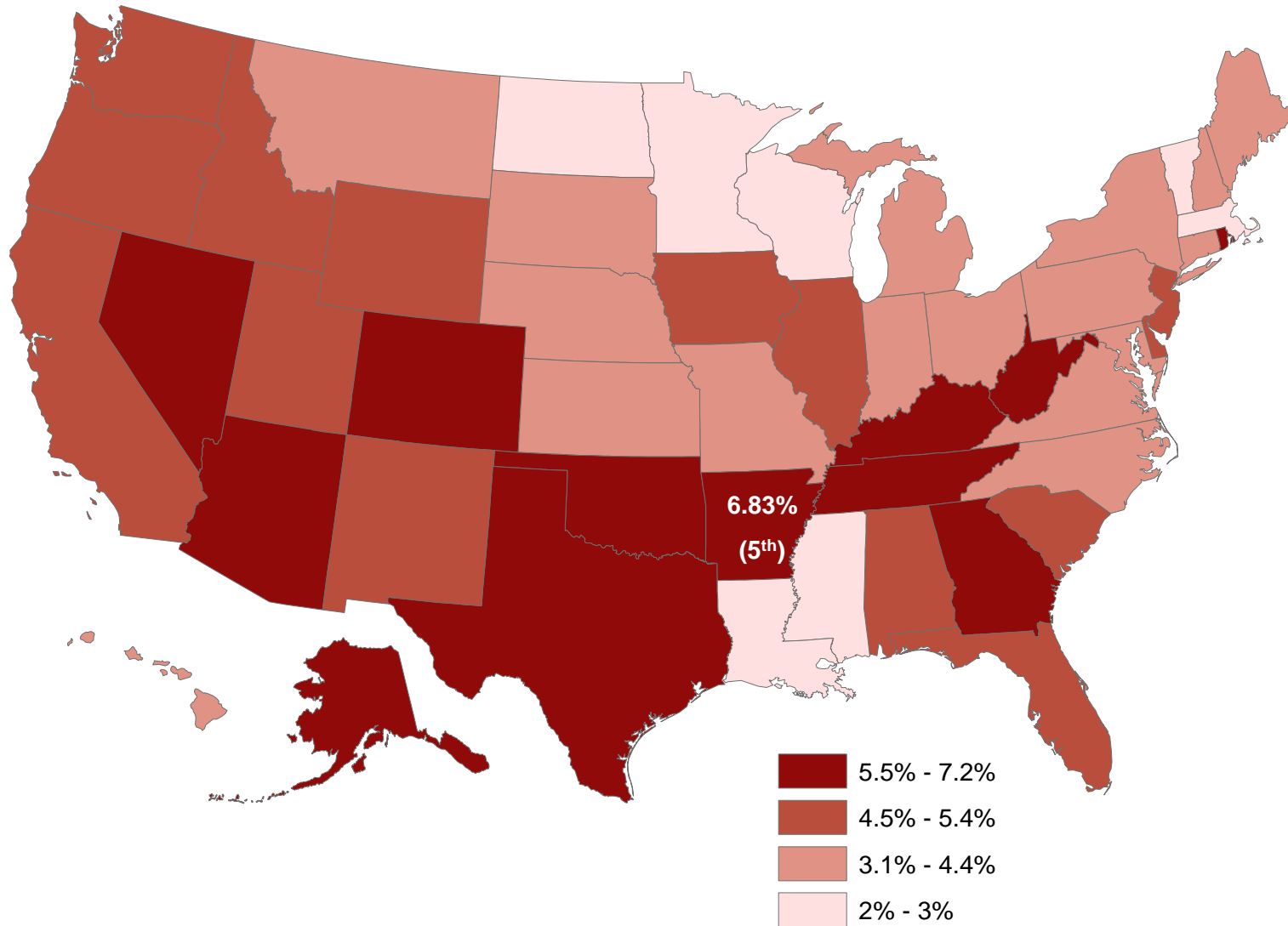
Issued
date



5
Sanctions

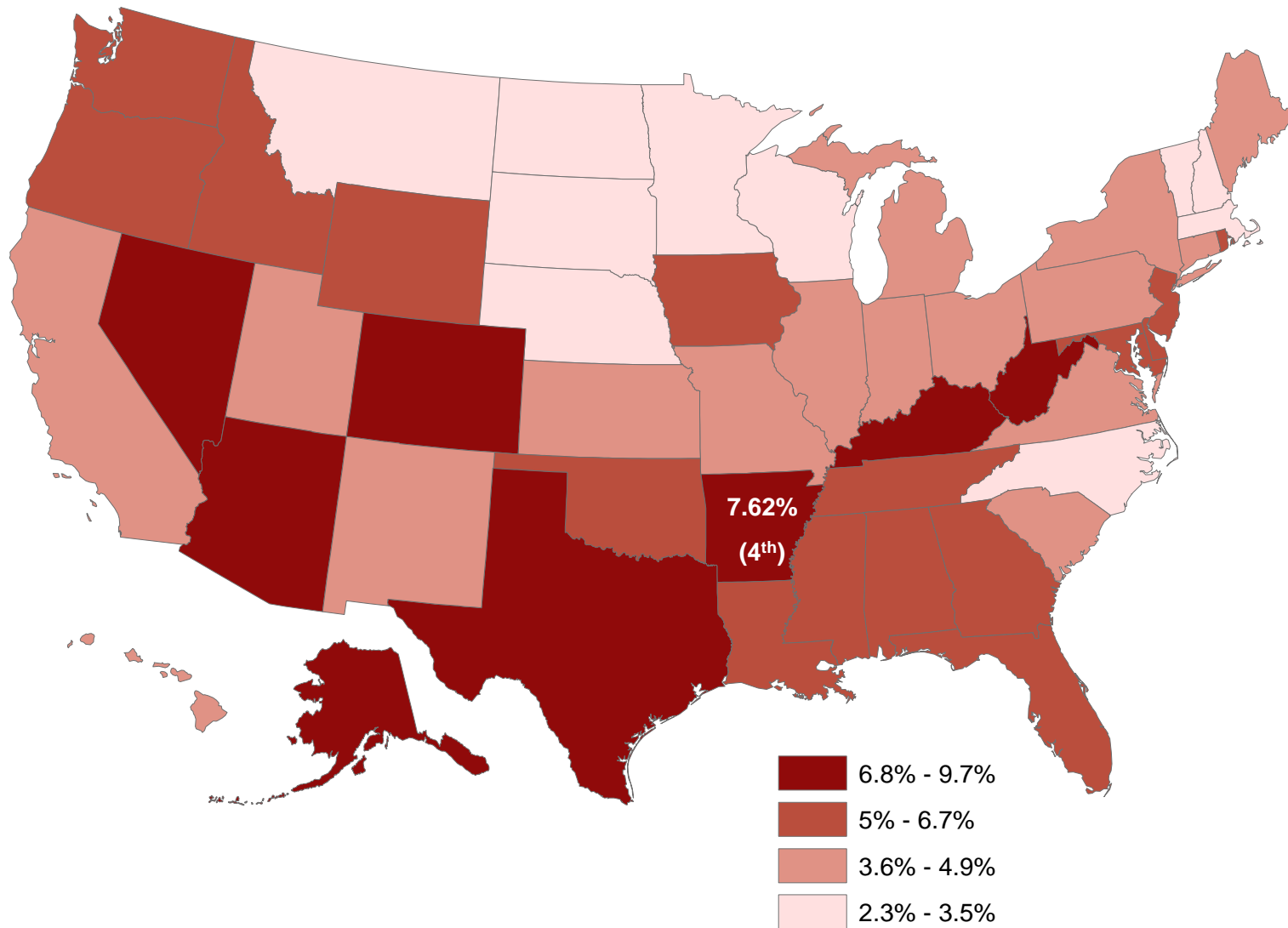
The school numbers are pre-appeal and include only schools impacted by the three years of 25% or greater sanction. A school can be on extended sanction and is therefore reflected in multiple year counts.

FY2005 Loan Default Rates



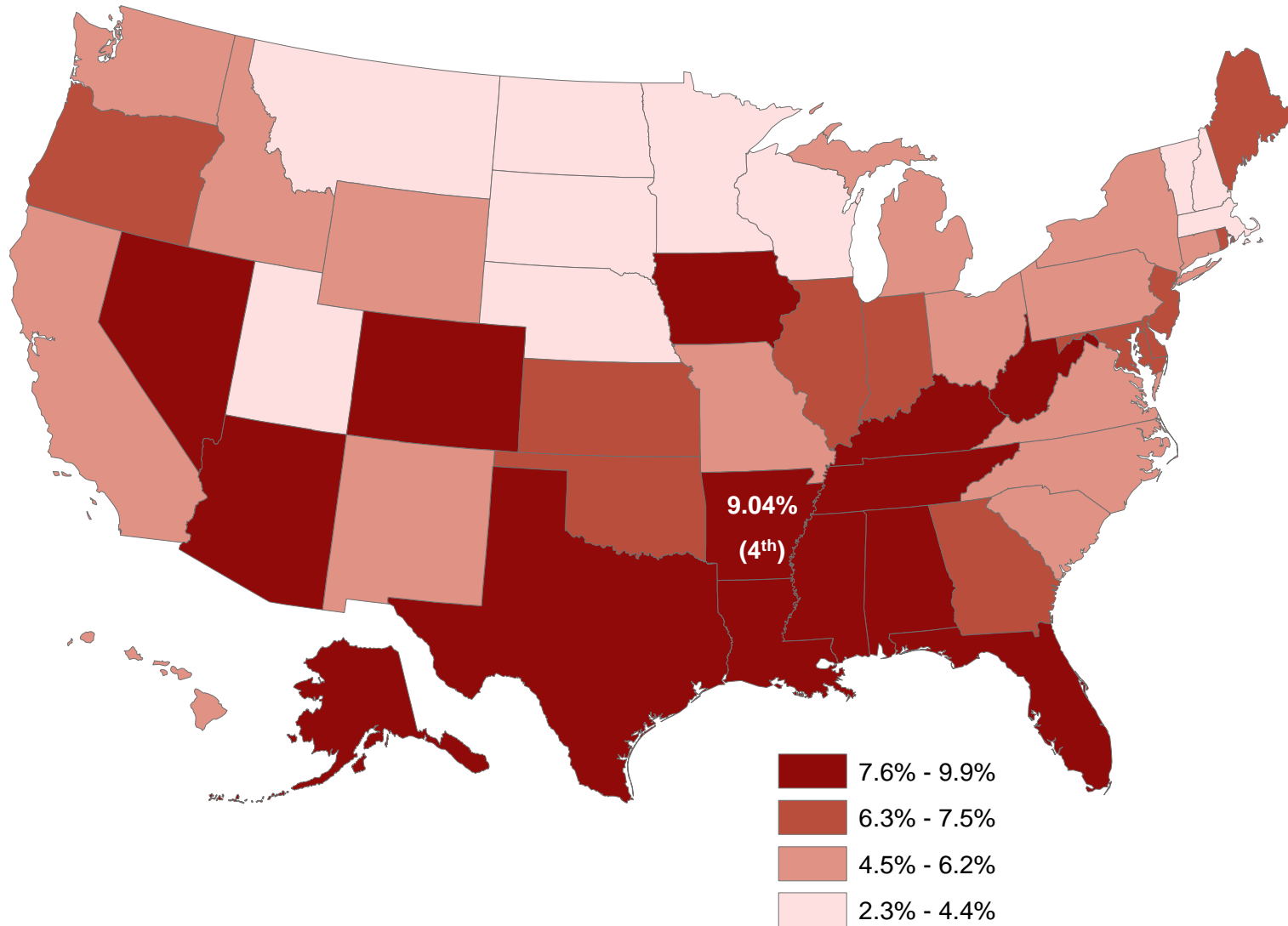
Source: 2007, U.S. Department of Education, via <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.

FY2006 Loan Default Rates



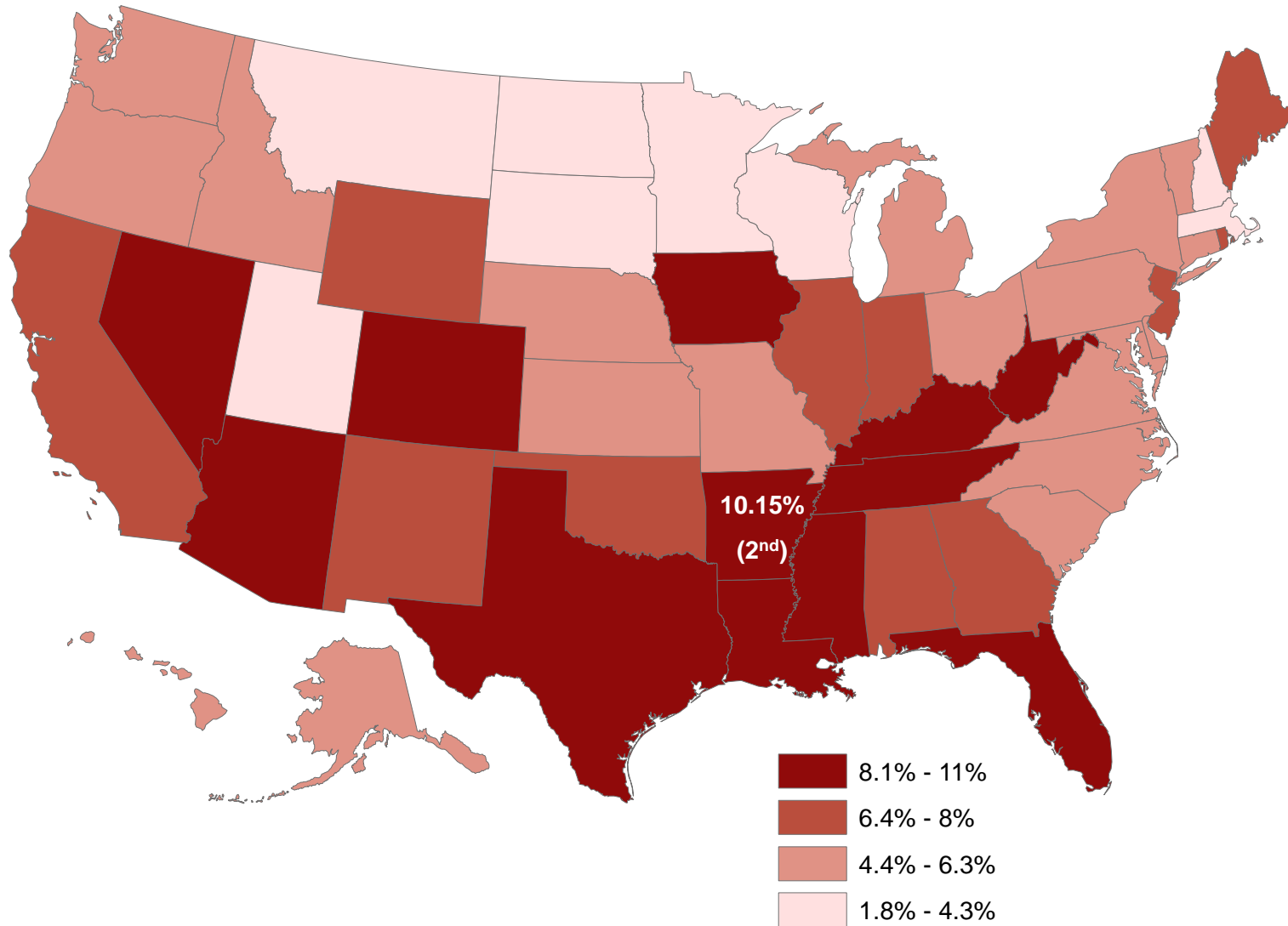
Source: 2008, U.S. Department of Education, via <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.

FY2007 Loan Default Rates



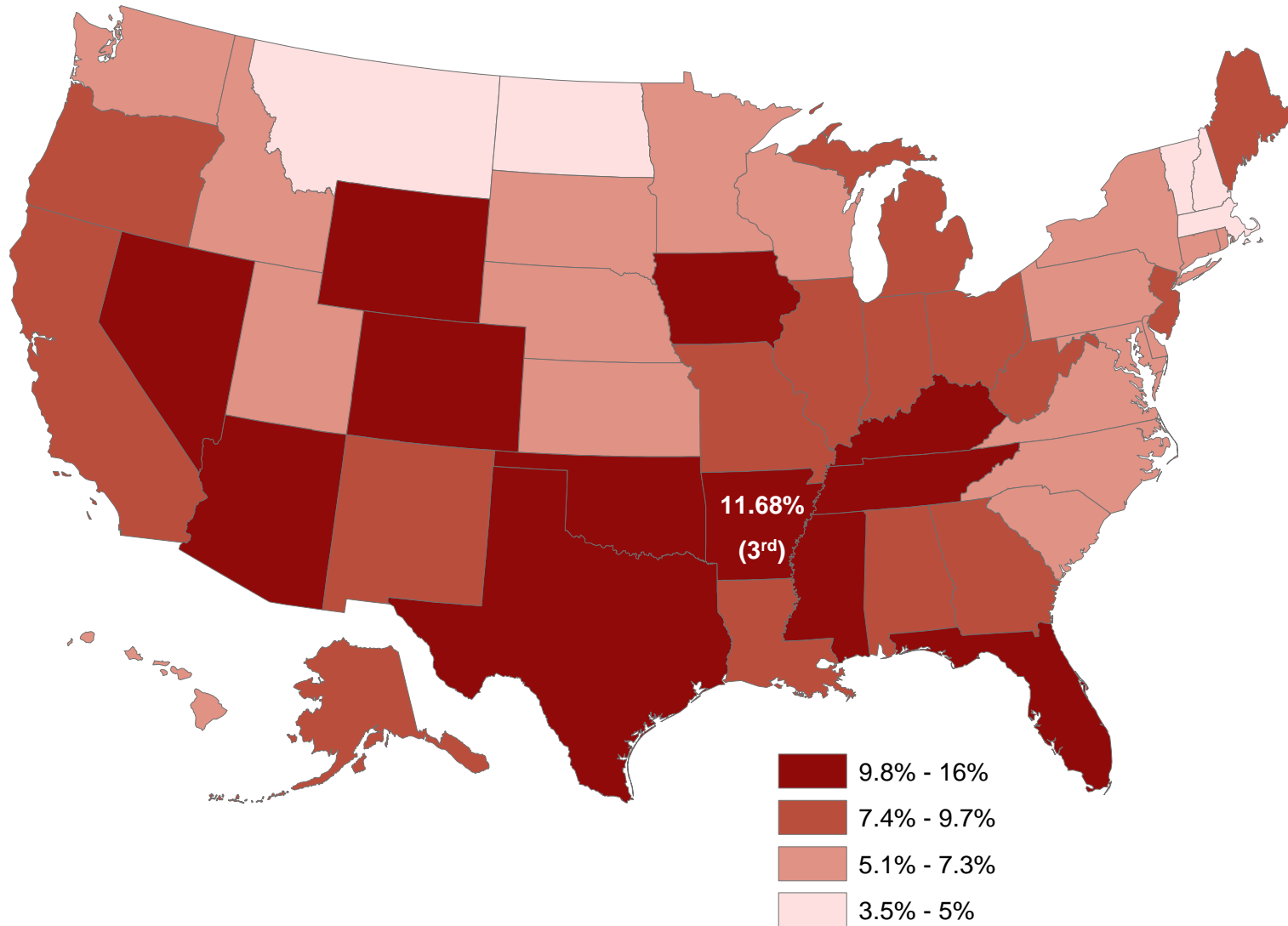
Source: 2009, U.S. Department of Education, via <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.

FY2008 Loan Default Rates



Source: 2010, U.S. Department of Education, via <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.


FY2009 Loan Default Rates



Source: 2011, U.S. Department of Education, via <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.

Comparison of FY 2009 Official Cohort Default Rates to Prior Two Official Calculations

Institutional Default Rate Reduction Initiative Comparison of FY 2007, FY 2008, and FY 2009 Cohort Default Rates

	Fiscal Year 2007 Official				Fiscal Year 2008 Official				 Fiscal Year 2009 Official			
	# of Schools	Borrower Default Rate (%)	# of Borrowers Defaulted	# of Borrowers Entered Repayment	# of Schools	Borrower Default Rate (%)	# of Borrowers Defaulted	# of Borrowers Entered Repayment	# of Schools	Borrower Default Rate (%)	# of Borrowers Defaulted	# of Borrowers Entered Repayment
Public	1,614	5.9%	102,919	1,721,629	1,618	6.0%	104,292	1,720,664	1,627	7.2%	128,121	1,778,903
Less than 2 yrs	144	7.5%	595	7,832	145	6.7%	523	7,736	142	9.9%	749	7,548
2-3 yrs	846	9.9%	48,287	483,721	848	10.1%	49,331	487,436	855	11.9%	62,234	520,256
4yrs(+)	624	4.3%	54,037	1,230,076	625	4.4%	54,438	1,225,492	630	5.2%	65,138	1,251,099
Private	1,718	3.7%	29,558	778,296	1,702	4.0%	30,620	761,129	1,706	4.6%	38,718	825,221
Less than 2 yrs	46	12.6%	449	3,538	45	14.1%	537	3,794	43	14.5%	605	4,148
2-3 yrs	188	8.1%	1,204	14,798	180	8.2%	1,167	14,157	172	10.0%	1,507	15,039
4yrs(+)	1,484	3.6%	27,905	759,960	1,477	3.8%	28,916	743,178	1,491	4.5%	36,606	806,034
Proprietary	2,008	11.0%	92,731	838,328	2,118	11.6%	103,764	889,034	2,147	15.0%	152,862	1,015,855
Less than 2 yrs	1,039	12.0%	15,603	129,627	1,105	12.4%	15,418	123,454	1,110	13.7%	18,031	130,936
2-3 yrs	702	12.5%	33,030	262,640	723	12.6%	34,538	272,215	732	14.8%	42,893	289,546
4 yrs(+)	267	9.8%	44,098	446,061	290	10.9%	53,808	493,365	305	15.4%	91,938	595,373
Foreign	435	2.2%	163	7,276	421	2.2%	176	7,902	425	5.5%	493	8,862
Unclassified	1	0.0%	0	5	1	0.0%	0	5	1	0.0%	0	5
Total	5,776	6.7%	225,371	3,345,534	5,860	7.0%	238,852	3,378,734	5,906	8.8%	320,194	3,628,846

Loan Default Rates by Institution

	Fiscal Year		
	2007	2008	2009
ASUJ*	8.2	10.7	13.3
ATU	9.3	9.8	13.7
HSU	6.8	9.8	11.9
SAUM	11.5	11.6	10.8
UAF	3.4	4.3	4.7
UAFS	11.2	10.8	12.3
UALR	8.9	9.1	9.7
UAM	13.4	14.7	20.1
UAMS	1.2	1.6	1.4
UAPB	15.9	17.3	21.1
UCA	6.4	9.4	8.6

Source: 2011, U.S. Department of Education. (* Includes ASUN & ASUMH)

Loan Default Rates by Institution

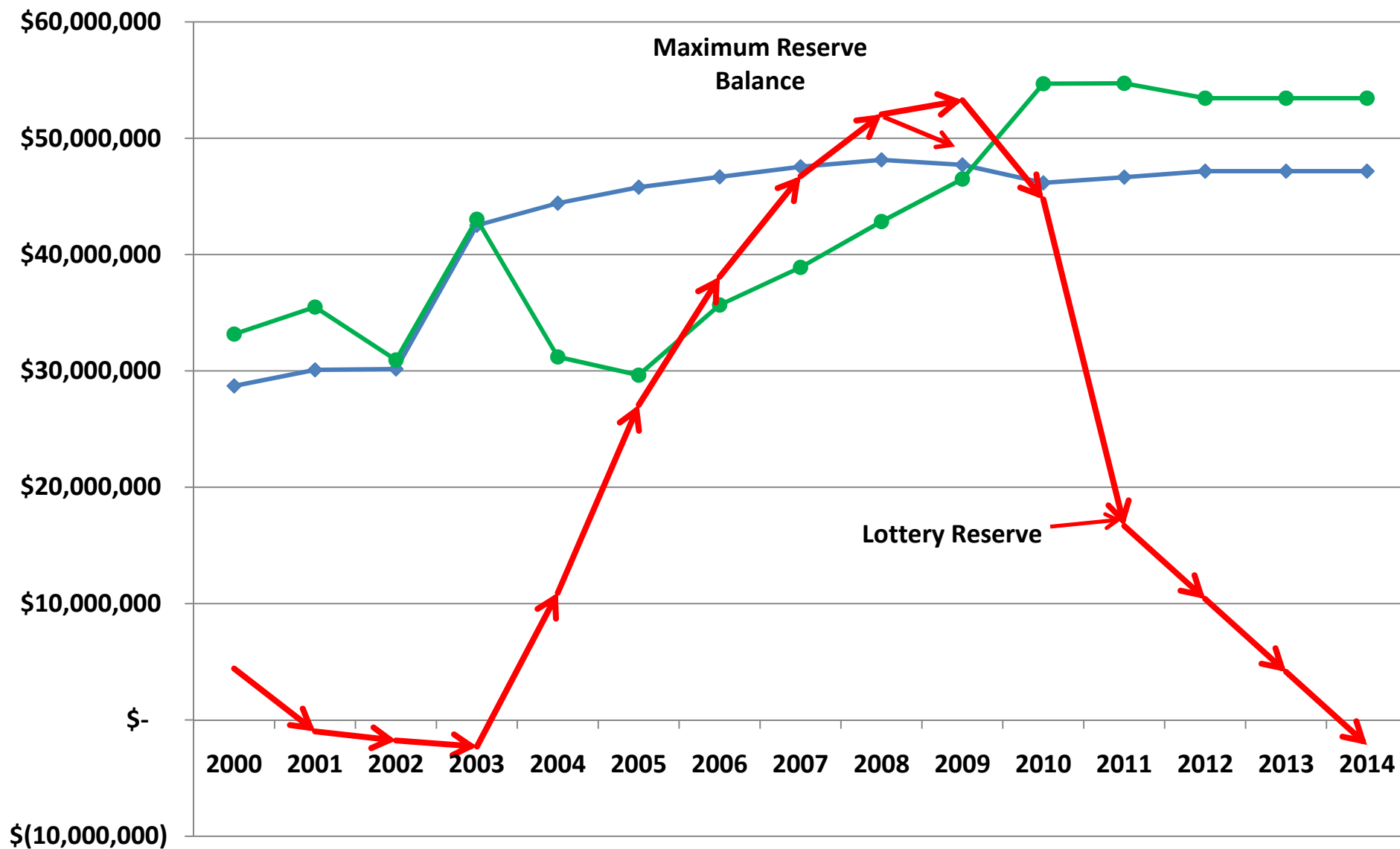
	Fiscal Year				Fiscal Year		
	2007	2008	2009		2007	2008	2009
ANC	9.7	12.8	19.8	NWACC	7.8	8.9	13.6
ASUB	8.9	11.8	14.8	OZC	7.5	13.9	26.3
ASUMH	(included in ASUJ)			PCCUA	8.6	21.2	17.2
ASUN	(included in ASUJ)			PTC	12.3	14.9	14.7
BRTC	14.4	12.1	16.1	RMCC	0	0	0
CCCUA	0	0	0	SACC	9.8	9	12.8
COO	11.2	9.9	12.2	SAUT	15.8	10.7	12.3
EACC	11.7	21.4	13.5	SEAC	13.6	12.3	16.3
MSCC	0	0	0	UACCB	19.1	18.5	26.5
NAC	16	9.2	13.1	UACCH	12.5	11.7	14.1
NPCC	18.5	16.1	18.8	UACCM	11.5	7.5	11.8

Source: 2011, U.S. Department of Education.

Schools subject to loss of FFEL/FDSLP/Pell eligibility, 3 years of rates $\geq 25.0\%$

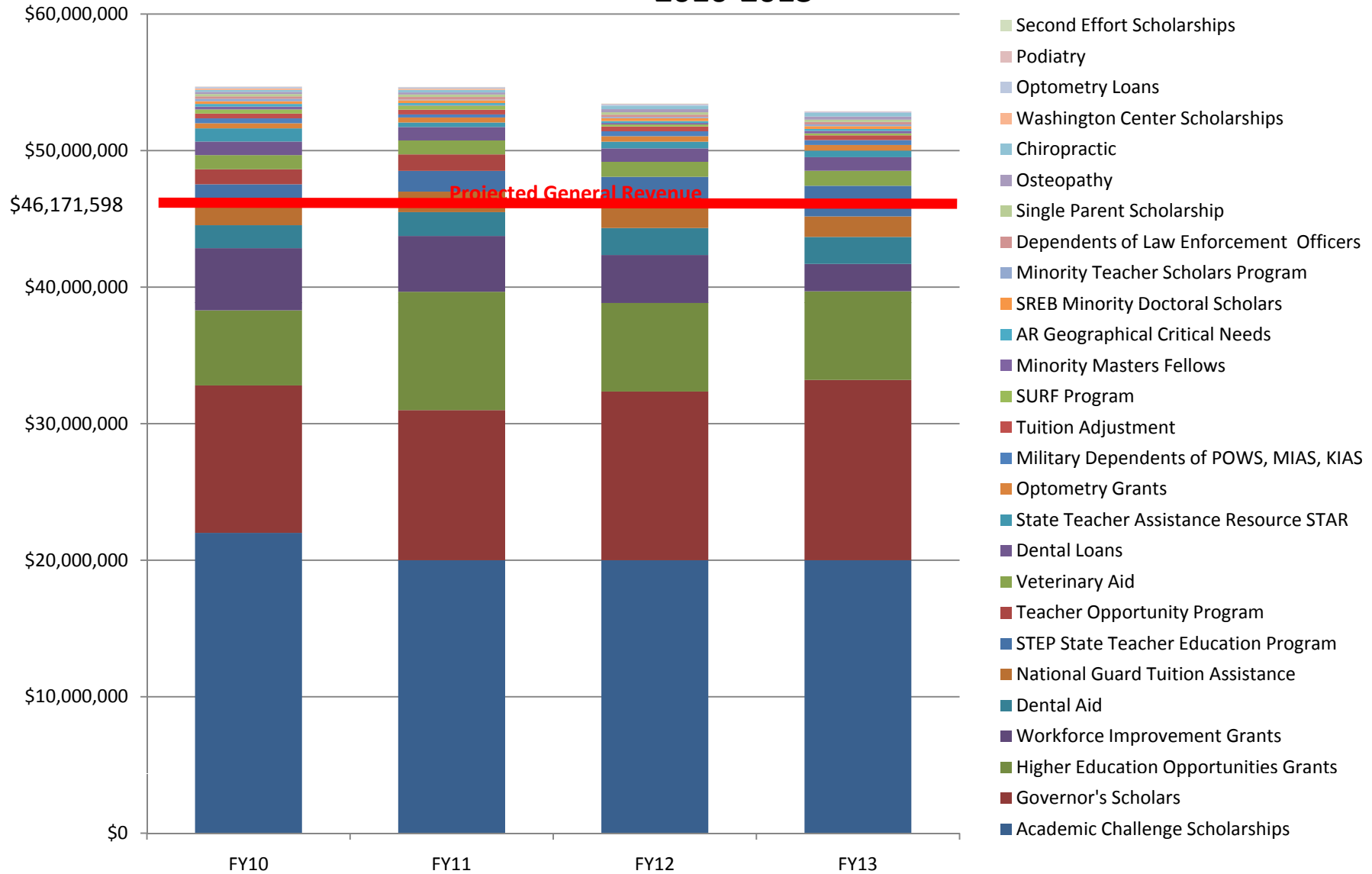
A school subject to loss of eligibility to participate in the Federal Family Education Loan (FFEL) Program, William D. Ford Federal Direct Loan (Direct Loan) Program, and/or Federal Pell Grant Program has FY 2008, FY 2007, and FY 2006 official cohort ` rates that are 25.0% or greater. If a school fails to successfully appeal this sanction, it will lose eligibility to participate in the FFEL, Direct Loan, and/or Federal Pell Grant Program until September 30, 2012. For more information on this sanction and specific exceptions, please refer to the [Cohort Default Rate Guide](#).

Arkansas Department of Higher Education Higher Education Grants Fund Funding Trends 2000-2014



◆ General Revenue ● FA Expense ➡ FA Balance

**Arkansas Department of Higher Education
Higher Education Grants Fund
2010-2013**



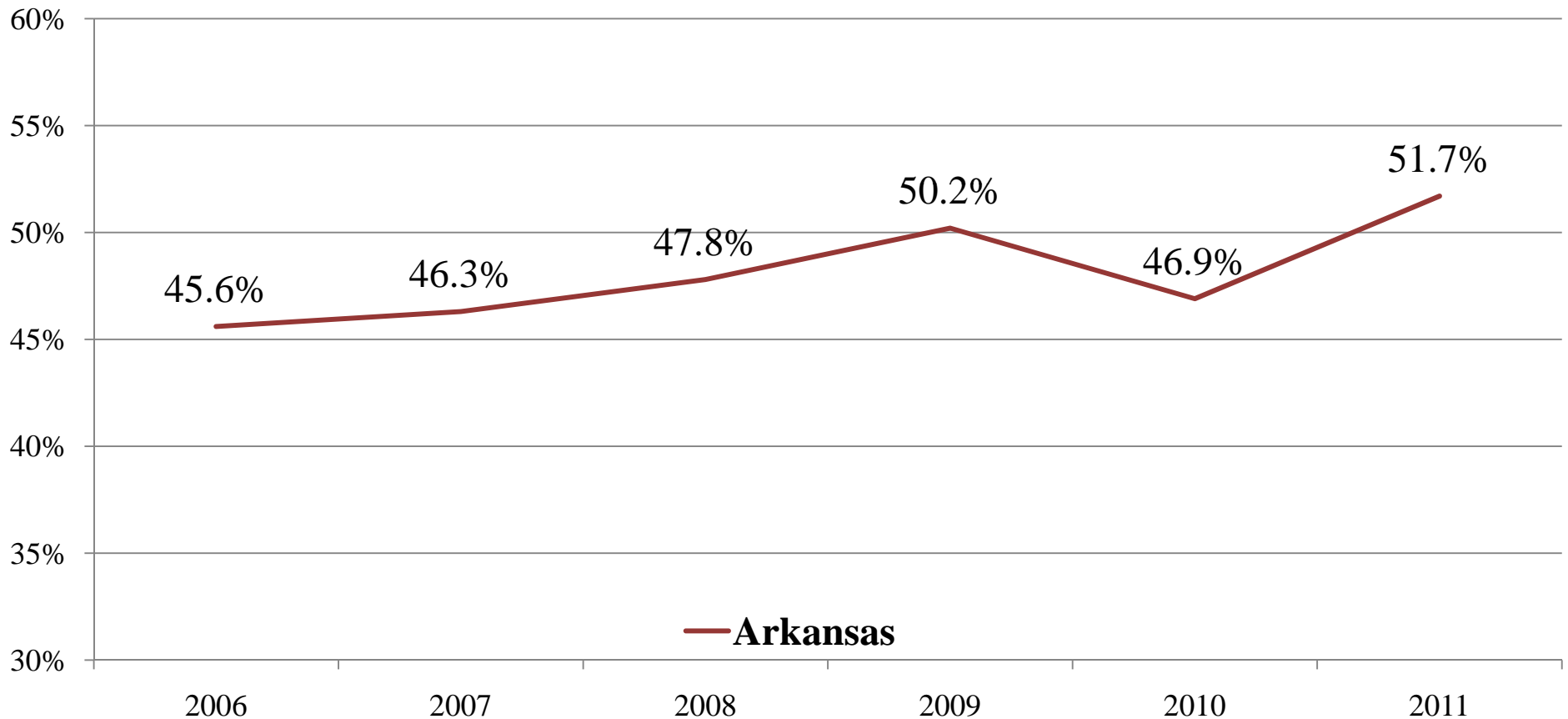


Statewide Statistics

Five-Year College Going Rates

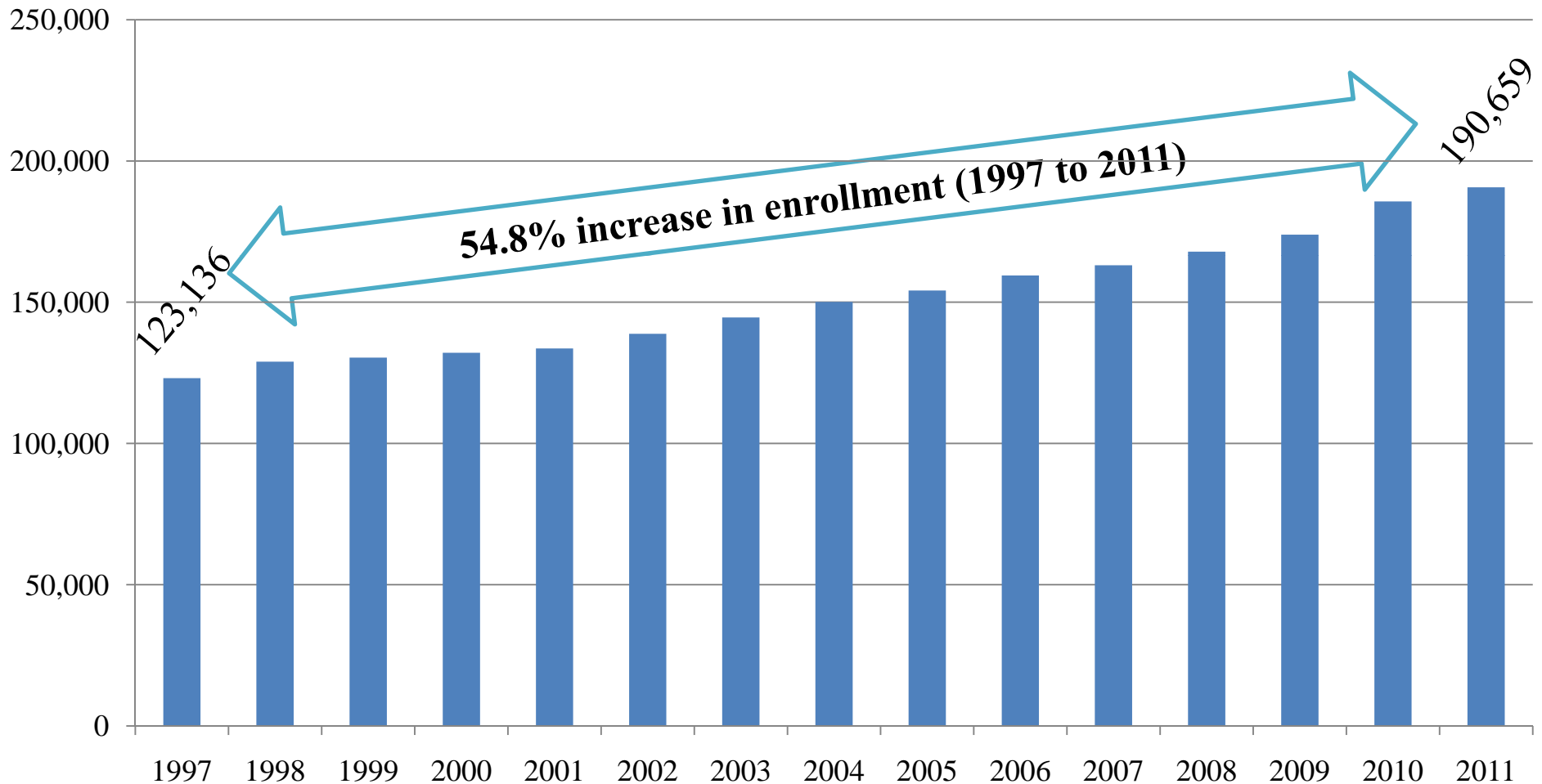
Public High School Students

Arkansas



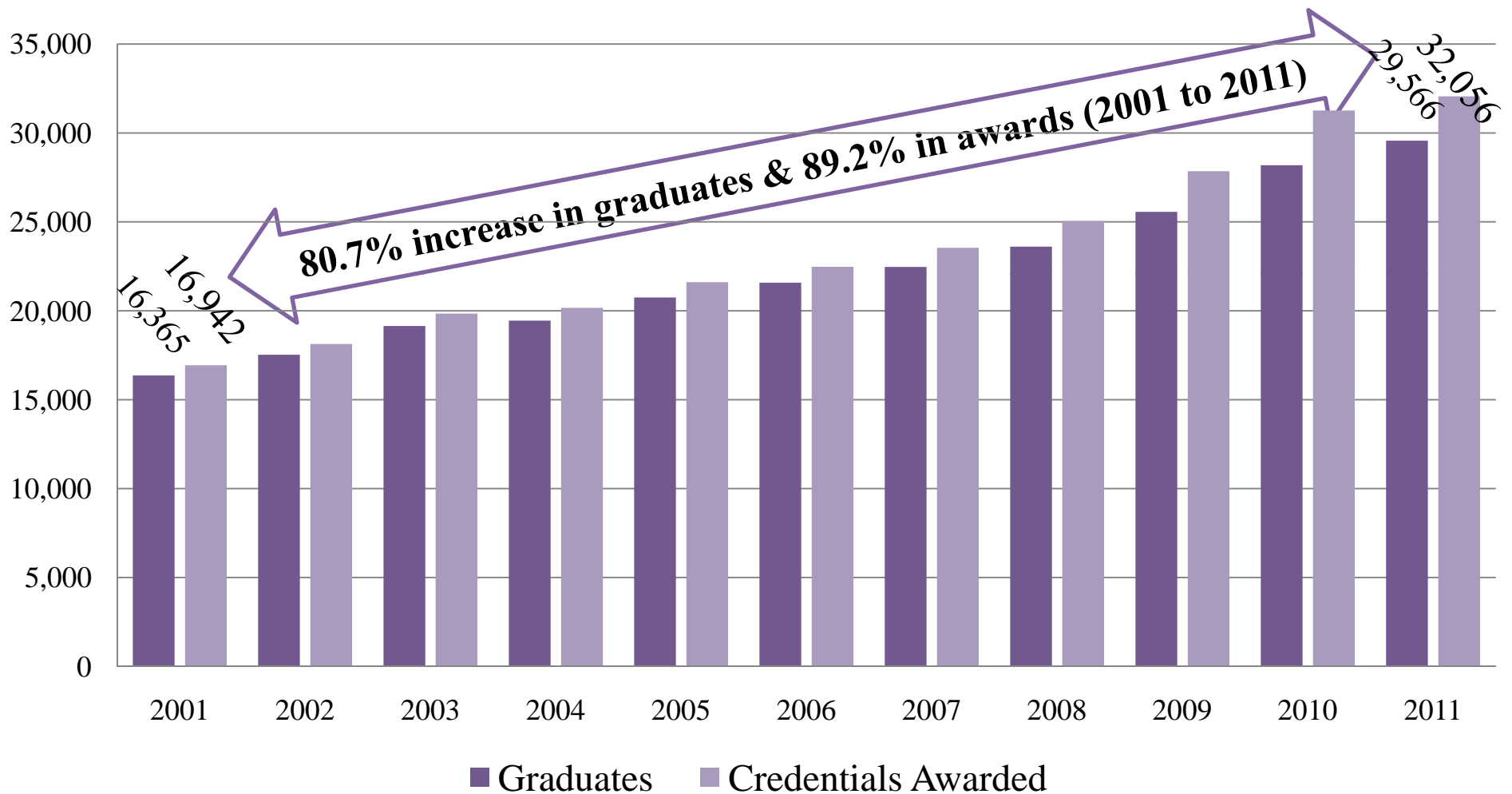
Source: 2011, ADHE SIS; NOTE: College Going Rate of Public High School Students Only.

Annual Unduplicated Enrollment for Public Institutions



Source: 2011, ADHE SIS; public institutions only (AY1997-AY2011).

Graduates and Credentials Awarded



Source: 2011, ADHE SIS; public institutions only (AY2001-AY2011).

Higher Education Attainment

- Arkansas is second to last with **19.49% of adults with a bachelor's**. (Nationally=28.1%)
- West Virginia is last in terms of bachelor's at 17.5%; Mississippi decreased to 19.51% in 2010.
- SREB report that **37% of FT-FT four-year students in 2002 graduated in 6 years**. (Lowest of the 16 SREB states) (Nationally=55%)

Source: 2011, U.S. Census Bureau, American Community Survey 2010.

Arkansas Public Colleges and Universities

Enrollment, 2010 Fall Term, Undergraduate

Students Only

Age less than 20	35.7%
Age 20-24	32.9%
Age 25-34	17.9%
Age 35-44	8.1%
Age 45-54	3.9%
Age 55 or higher	1.6%
Traditional Students	68.6%
Non-Traditional Students	31.4%
Average Age	24.6

Source: 2011, ADHE SIS; public institutions only.

Arkansas Public Colleges and Universities

Enrollment, 2010 Fall Term, Undergraduate

Students Only

Age Range	4-Year Universities	2-Year Colleges	Difference
Age less than 20	38.0%	32.6%	5.4%
Age 20-24	40.2%	23.8%	16.4%
Age 25-34	13.6%	23.4%	-9.8%
Age 35-44	5.2%	11.7%	-6.5%
Age 45-54	2.2%	6.0%	-3.7%
Age 55 or higher	0.7%	2.6%	-1.8%
Traditional	78.2%	56.4%	21.8%
Non-Traditional	21.8%	43.6%	-21.8%
Average Age	22.9	26.7	-3.8%

Source: 2011, ADHE SIS; public institutions only.

Arkansas Public Colleges and Universities Graduates

Academic Year 2011 (2010-11)	Number	Percent
Traditional	16,592	51.4%
Non-Traditional	15,690	48.6%
Total	32,282	100.0%

Source: 2011, ADHE SIS; public institutions only (AY2011).

Summary

- **Two-year public colleges** serve substantially higher rates of non-traditional students than do four-year universities.
- Traditional students make up about **two-thirds** of public higher education **enrollment**.
- Traditional students make up about **one-half** of public higher education **graduates**, only slightly higher than Non-Traditional students.



Amounts Credited Due to the State Scholarship Stacking Policy

Stacking Policies of the State's Institutions

- One state stacking policy
- Each institution has variations in FA packaging policies

A postsecondary institution shall not award state aid in a student aid package in excess of the cost of attendance. When a student receives a student aid package that includes state aid and the **student's aid package** exceeds the cost of attendance, the institution shall repay **state aid** in the amount exceeding **cost of attendance**, starting with state aid received under the Academic Challenge Scholarship.



Stacking Definitions

- Cost of Attendance - An estimate of a student's educational expenses that is designed to provide an accurate projection of the reasonable costs for the period of enrollment.
- State Aid – scholarships or grants awarded to a student from public funds, including without limitation the Academic Challenge Scholarship, DHE scholarship and grant programs, state general revenue, tuition, and local tax revenue.
- Student aid package – federal aid, state aid, and other aid a student receives for postsecondary education expenses
 - “Federal Aid” – scholarships or grants awarded to a student as a result of the FAFSA, **excluding the Pell Grant**
 - “Other Aid” – scholarships, grants, tuition waivers, or housing waivers awarded to a student from a postsecondary institution or private sources.



Reductions Due To Stacking

Fall 2010

Program	# of students	Amount
Academic Challenge Scholarship	220	\$ 229,453.66
Governor's Scholars Program	4	\$ 2,767.00
Go! Grant	69	\$ 24,428.00
National Guard Tuition Incentive Program	1	\$ 2,500.00
	294	\$ 259,148.66

Source: 2011, ADHE SIS.