

Maine Compact for Higher Education

Board of Directors Meeting

September 18, 2009

FAME, Augusta

Minutes

Board members present: Wendy Ault, Ron Bancroft, Alan Burton, Mary Cathcart, Joseph Foley, Joyce Hedlund, Martha Johnston, Meredith Jones, Dan MacDonald, Richard Pattenaude, Colleen Quint, Susan Percy, Lynn Ploof-Davis, Theodore Scontras, and Melinda Shofner.

Guests and Staff present: Henry Bourgeois; John Dorrer, Department of Labor; Patricia Hart; Dianne Heino; and Larinda Meade.

Compact's strategic assessment process. Chairman Joseph Foley opened the meeting at 9:10 a.m. He briefly summarized the strategic planning process in which we are engaged: in August, the board reviewed the Compact's achievements and missed opportunities; today, we are examining the significant environmental changes and trends that will influence achieving the Compact's goal; and next we will discuss the implications of what we have learned for the Compact's vision, mission and goal; and, finally, we will decide what we want to accomplish in the next 3-5 years and how to organize to get the job done.

Mr. Foley explained that, today, we want to have a conversation about the changing environment. He further explained that, as with the last meeting, we are not planning to vote on these items, or make firm decisions today. Rather, we want to have a full discussion and give everyone a chance to express themselves.

Survey – importance of a college degree. Mr. Bourgeois reported on the results of one set of questions asked in a survey regarding the Harold Alfond College Challenge conducted by Pan Atlantic in August-September, 2009. Over 600 parents were surveyed: about 200 had enrolled their baby in the HACC, 200 had inquired about the HACC but had not enrolled, and 200 had never inquired about the HACC.

Respondents were asked to indicate the extent to which higher education has been and will continue to be important with respect to one's success. Here is the wording of the three questions:

“Thinking back to when you were in high school /thinking about the students who are in high school now/ thinking about babies who are being born now-- what do you think will be the minimum level of education that students will need to be successful?”

The results:

- Fifty-five percent of respondents reported that at least a two-year college degree was necessary to be successful when they were in high school (37% for at least a four-year degree).
- Eighty percent of those surveyed believe that at least a two-year college degree is needed for students that are in high school now (63% for at least a four-year degree).
- Eighty-six percent of respondents indicated that at least a two-year college degree will be necessary for babies who are born now to be successful (81% for at least a four-year degree).

81% of the respondents indicated that it is “very important” that their baby goes to college.

University of Maine System - New Challenges, New Directions Initiative. Mr. Foley asked Mr. Pattenaude to update the board on the status of the New Challenges/New Directions Initiative. Mr. Pattenaude reported that he presented the Final Report and Implementation Plan to the UMS Board of Trustees earlier in the week. The next step is to organize meetings at each University campus to meet with local university and community leadership and to hold a public open session. The UMS Board of Trustees will receive the feedback from the regional sessions, and act on the plan at their November meeting.

New Challenges/New Directions Initiative (continued)

Mr. Pattenaude characterized the plan as a bold initiative in that it both reduces costs significantly through careful use of technology, strategic cost reductions, and the many talents of UMS people, and simultaneously invests resources in key priorities facing the State of Maine. He reminded the board that the plan has three fundamental purposes: balance UMS and campus budgets over the long run by closing a financial gap of \$42 million over several years; ensure that we can provide quality affordable education to the students and the people of Maine; and present new programs, new opportunities, and new research efforts that will strengthen the economy and form a partnership to build a better Maine. He encouraged Compact board members to participate in the regional sessions.

Labor market dynamics and workforce trends were the focus of a presentation by John Dorrer, director of the State Department of Labor's Center for Workforce Research & Information. Key points made by Mr. Dorrer include:

Employment:

- Employment has declined further and longer than in the previous four recessions. This recession will result in a long duration of unemployment.
- Unemployment rates have raised to levels last reached in the early 1990's.
- Workers who loose their jobs are taking a longer time to return to work and are not getting back their same job; there is a structural change in the workforce picture.
- Productivity is increasing as employers reduce the number of employees and expect little or no drop in production.
- Nationally, about 78 million baby boomers will leave the workforce, taking with them their high level of education, skills and expertise. Only 44 million replacements for the baby boomers will be available over the next ten years through career paths and succession plans – leaving an enormous gap of core competencies, workforce skills and knowledge that cannot be replaced by simply increasing the use of technology to augment the smaller workforce. This is particularly true in Maine, as we loose to retirement a highly skilled/educated workforce, to be replaced by a less skilled/educated workforce.

Population:

- Population growth is expected to continue to slow. We have become increasingly dependent on in-migration for population growth.
- Labor force growth will continue to slow, forecasted at only a 5% increase from 2006-2016.
- The share of older workers in the labor force is rising.
- Openings in occupations will be fueled by replacement demand rather than by growth.

Job Growth/Educational Attainment:

- Most high growth/high wage jobs will be filled by workers with at least some post secondary education. The fastest job growth is projected to require at least some college education.
- Job growth will be concentrated in healthcare, professional/business, and leisure/hospitality.
- Job growth will be the largest among the highest and lowest paying occupations.
- The fastest growing workplaces are among the mid-sized companies; there are only 53 companies in Maine with 500 or more employees.

In summary, Mr. Dorrer said the next economy is a:

- Science and knowledge economy – need scientific and technological literacy.
- Resource-challenged economy – need critical thinking about sustainable economies.
- Demographically diverse economy – requires cross-cultural leadership skills.
- Innovation-driven economy – requires students who can learn how to learn and adapt to rapid change.

Environmental changes and trends impacting educational attainment. Six board members were asked to prepare remarks concerning changes they have experienced and future trends they anticipate, based on their unique professional positions. A summary of their remarks follows:

Alan Burton, Cianbro

- a. Most significant environmental changes:
 - o Economic slowdown – construction industry lags 12-18 months, and is just entering the downturn. The recovery is likely to be a ‘u-shaped’ recovery.
 - o Aging workforce – the workforce at Cianbro is aging, with the average age in the late 40’s, and the management team average age in the 50’s.
 - o Talent development/succession planning is very important at Cianbro.
 - o Advancing technology.
- b. Future trends:
 - o More specialization vs generalization – companies who specialize improve performance/profits.
 - o Specialization requires building alliances and partnership. The trend is toward more collaboration.
 - o Specialization leads to industry-specific curriculum (educational credits achieved).
 - o Job competencies change on a regular basis – requires business and education to work together to respond quickly.
- c. Effects on Students:
 - o Short-term impact of scholarship funding – less funding is available from businesses.
 - o Increase of internship opportunities – because businesses want talent, educators have more leverage in program planning.
 - o Educational retooling on a regular basis.
 - o Education/business partnerships are essential.

Joyce Hedlund, Eastern Maine Community College

- a. Families with incomes above \$60,000 applying for aid have increased from 7.8% to 13.2% of the student body over the last 5 years; over the same period, there has been an increase in the number of financial aid applications from 60% to 69% of the total student body.
- b. One hundred CC students annually transfer to UM; UM has 850 transfer students, who on average earn the same GPA as regular students at the point of graduation – 3.12 GPA.
- c. 64% of the students were 24 years-old or under in 2005, compared to 67% now. In the same period, the number of 40 and 50 year-olds have declined in enrollment while the 60 year-old and older student has increased in number.
- d. Enrollment grew by 10% this year, especially among Associate of Arts in Liberal Studies degree students.
- e. Some technical majors have long waiting periods, e.g. nursing (full year wait). Many are full by February and March.
- f. 45% of the EMCC budget is state funds, compared to 85% 16 years ago.
- g. Future trends/issues:
 - o Continue to struggle with obtaining state appropriations to grow.
 - o Focus on building partnerships.
 - o Increase in number of out-of-state companies recruiting graduates.
 - o Changing demographics of student body.

Melinda Shofner, Traip Academy

- a. Rising costs of college continue to be a big barrier for many students.
- b. The ready availability of student loans, particularly the ‘plus’ loans, often exacerbates the problem because many students and their parents do not understand that they have to be repaid.
- c. When they understand their potential loan responsibility, it often forces the student to choose to attend their ‘third or fourth’ choice college – usually a less expensive in-state college.

Environmental changes & Trends (continued)

- d. This problem illustrates the low level of financial literacy among most students and many parents, i.e. loans must be repaid and are not grants like scholarships. Characterizing loans as 'aid' is misleading.

Dan MacDonald, Caribou Adult Education (commenting on the statewide College Transitions program)

- a. Current status of College Transitions:
 - o College Transitions (CT) enrollments are increasing and the estimate is that 1,400 adult learners were served in 2008-09. And, demand continues to be high – in Caribou, he had 30 applications for the 12 slots this semester.
 - o The majority of the learners are between 25-45 years-old; about half are unemployed, most are first generation college students and the majority are from adult education programs.
- b. Environment changes and trends:
 - o Enrollment demand is very high in the areas impacted by layoffs; career centers are referring learners and funding some through the Federal Trade Adjustment Assistance program; and, postsecondary partners are making referrals to CT programs.
 - o Trends include: increasing technology training, academic rigor and programming to ensure persistence and success in postsecondary. Another trend is increased partnerships with higher education institutions leading to credit for CT courses and use of services.
- c. Future issues/opportunities:
 - o Continued communication and partnerships with postsecondary partners can lead to more adult learners entering college
 - o Continued financial support will be imperative to future success and expansion of the program
 - o There is a growing need for learners to have the ability to concurrently enroll in CT and college classes to bridge the gap between them (currently this impacts financial aid due to full-time status).
 - o There is an increase in demand for tutoring and support services for completed CT learners who come back to adult education programs.

Martha Johnston, FAME

- a. The only state funds FAME receives are for the Maine State Grant Program – the state's largest scholarship program. State funds for the MSGP have been reduced in recent years and are likely to continue to be reduced during this economic slowdown as the state constantly is required to adjust its revenues and expenditures.
- b. The State's section 529 college savings program which FAME administers – the NextGen program – receives several million each year from Merrill Lynch from a portion of the administrative fees Merrill Lynch charges its non-Maine customers to participate in the plan. These funds are likely to decrease as fewer parents can afford to invest in their child's college savings plan.
- c. The new Administration's proposed lending policy makes it unclear what FAME's long-term lending role might be for college loans.
- d. Trends: continued and increased borrowing by college students, and the risks associated with such borrowing; a big shift to value; and an increased focus on access/retention/persistence.

Wendy Ault, MELMAC Education Foundation:

- a. MELMAC is supporting two major, multi-year initiatives to increase college (including education credentials) attainment: Connect Aspirations to a Plan (increase college enrollment of students graduating from high school), and Support Early Success in College (increase the retention and graduation rate of students at Maine postsecondary institutions). 'Support Early Success in College' is funding innovative approaches at 19 postsecondary institutions.

Environmental changes & Trends (continued)

- b. Students most at risk for leaving college early are:
 - o First generation college students,
 - o Students who are not well-prepared academically,
 - o Nontraditional students,
 - o Students with lower educational expectations,
 - o Students at two-year colleges, and
 - o Students who work 20 hours a week or more.

- c. The majority of students who leave college do so in their first or second year. Most students who leave do so for personal reasons, but financial reasons increase in later years.

- d. Strategies developed to address the retention/persistence needs include:
 - o Enhance the experience for students, particularly in the first year, e.g. college success counselor, first year seminar, organize retention team.
 - o Closely monitor student performance; provide additional academic support to students, e.g. provide early warning system for gateway courses, offer college skills course, early flagging of at-risk students.
 - o Faculty engagements, e.g. enhance advising, provide advising training, and establish advising coordinator.
 - o Better understanding of student/faculty experience, e.g. deliver NSSE and CSI, establish retention committee, and conduct student engagement survey.
 - o Data collection and analysis e.g. enhance institutional research, implement an effective student information system.
 - o Expand course offerings, e.g. use learning communities.
 - o Outreach to various constituencies, e.g. develop stronger partnerships with major sending high schools, survey parents about attitudes and experiences, summer contact with students and parents, increased parental involvement

Mr. Foley thanked the six board members who took the time to prepare presentations for today's meeting, and thanked Mr. Dorrer for his presentation. He adjourned the meeting at 11:30 a.m.

Respectfully submitted: Henry Bourgeois, Compact Executive Director, October 1, 2009