Keeping College Within Reach: Improving Access and Affordability through Innovative Partnerships

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Chairwoman Foxx, Ranking Member Hinojosa, and members of the Subcommittee, I thank you for the opportunity to appear here today to discuss a unique business model that Adrian College created eight years ago to reverse a downward spiral in enrollment, revenues, and the academic quality of our students. This entrepreneurial approach to saving our College ultimately gave us the revenues we need to create innovative partnerships with businesses and enhance access to students throughout the Midwest.

Let me explain.

In 2005 Adrian College dropped below 900 students and was saddled with a $1.3 million annual operating deficit. Three of our dorms were closed, our deferred maintenance bills reached several million dollars, and leaky roofs and dandelions were a constant sight on campus.

The academic quality of our students also suffered. We attracted only 1100 applications in 2005 and rejected only 71 students. Essentially it was open enrollment. Many freshmen were not prepared academically to attend a private liberal arts College so they either failed out or quit before they graduated; our retention rate stood at 59 percent.

Our problems were compounded by our location in southeast Michigan. Adrian College is located 60 miles southwest of Detroit, a city currently undergoing bankruptcy protection, and our major local manufacturing base is in automotive parts, a very troubled industry during those years. The perfect storm descended upon families that wanted to send their children to

college, especially a private college. People openly questioned whether Adrian would survive these circumstances.

But Adrian did not close, it thrived. During the past eight years our enrollment doubled to over 1700 students and our annual budget increased from $28 million to over $64 million. Our retention rate stands at 85 percent and our freshmen classes grew from 263 in 2005 to 665 last fall. We built over $60 million in new facilities and started five new graduate programs, eight academic institutes, and nearly doubled our endowment. Each year we have given raises to our employees, hired additional workers, and expanded benefit coverage.

At Adrian, we like to joke that we skipped the Great Recession.

How have we done this? How under these circumstances were we able to attract more students and make college affordable to the families in our state?

We did it through a unique business model that relies on strategic investments, measurable results, and accountability. This model, which I can discuss further during the question and answer period, responds to the needs of students and the job market in Michigan. It requires us to listen closely and respond quickly to the voices of employers and families, and it works very well as you can see from the story I just recited.

When Adrian started to flourish we looked for innovative partnerships with businesses that could advance the College's educational mission while cultivating talent needs in our business community.

Let me list a few here.

In recent years we allocated money for students to conduct micro-research studies with local businesses leaders. Several students have worked with businesses who want to optimize social media and web-content marketing to expand their operations.

In addition several other students worked with the Michigan International Speedway to test pond water, catalog indigenous flora, and develop statistical modeling methods to control invasive species on 1400 acres at this important business in our community.

Other examples include psychology students working with local doctors to gain a broader understanding of The Placebo Effect. Students conducting research with businesses on potential hydrocarbon reserves in our area, and a student working with an startup apparel company to build a business plan.

In addition to micro-research we recently finished construction on three campus incubators that students use to start businesses in our small town of 23,000 people.

These incubators will not be limited to our students. If local residents want to use our business professors and facilities to incubate an idea, we are open to having them on campus at no charge.

My third example of innovative relationships occurred two months ago when 11 small college presidents in Michigan organized a two-day retreat with major business leaders to discuss **the talent gap**: The gap between the skills business leaders say they need when they hire recent graduates and the skills these graduates actually bring to their new jobs. Forty-five CEO's and high level executives from companies such as Dow Chemical, The Kellogg Corporation, Amway, and Stryker joined the presidents to exchange ideas on this important topic.

Finally, we restructured our entire internship office to place students in businesses that openly express a desire to hire new workers. Students are told that their internship is actually a three month interview. If the company likes them they will be hired.

I could provide you with many more examples of how innovative partnerships with our local business community have helped our region. But in the interest of time let me end by saying that these partnerships have given us the resources we need to expand our financial aid offerings and provide greater access to higher education for many young adults.

This emphasis on making education more affordable reached its climax at Adrian College last week when we announced a new guarantee to all incoming freshmen: Beginning in the fall of 2014 all freshmen will be guaranteed a high paying job of at least $37,000/year or part or all of their student loans will be paid for them.

I thank you for the opportunity to share some of what we've done at Adrian College and I am open to any questions you may have.