

**Testimony of Dr. M. David Rudd, President
University of Memphis
to the House Committee on Education and Labor
Subcommittee on Higher Education and Workforce Investment**

**The Costs of Non-Completion: Improving Outcomes in Higher Education
May 9, 2019
Washington D.C.**

Chairwoman Davis, Ranking Member Smucker, Members of the Subcommittee, thank you for the opportunity to testify this morning on steps the University of Memphis has taken to improve student outcomes and completion rates.

The challenges that today's college students grapple with are well known, with concerns about college costs, student loan debt, and return on investment representing a recurring theme nationally. As the president of the University of Memphis, I recognize we have an important role to play in addressing these issues and ensuring our students can access an affordable, high-quality education that prepares them for success – both in career and in life.

Approximately half of our students are fully Pell-eligible with family incomes less than \$50,000 per year and roughly 44% are first-generation students. Over the last five years, we've developed and implemented a range of innovative programs designed to both remove barriers to postsecondary access and provide the resources necessary to increase retention and completion.

These programs are coupled with the lowest tuition increases in the university's history, averaging just a 1.7% annual increase over the past five years and two years with zero tuition increases at all. Early evidence is promising, with significant improvement in graduation rates, particularly for our most financially vulnerable students.

We continue to focus on closing the gaps in graduation rates for Pell versus non-Pell students. We're making significant progress, but still have a long way to go. The four-year graduation rate for Pell students has doubled over the past ten years and the six-year rate has improved to over 40%, but still lags behind non-Pell students, whose graduation rate is 56%. Financial challenges explain the majority of the difference and, accordingly, we've implemented a range of innovative programs that appear to be helping us close the gap.

The majority of our students work significant hours outside of the classroom, with many holding two or more part-time jobs to pay for college costs and other family and living expenses. These work hours take students away from their studies and, ultimately, can extend their time to graduation. In an effort to provide more time to focus on school, we explored alternatives that might reduce work hours outside of the classroom.

Almost two years ago, the University of Memphis Foundation launched a private company

called UMRF Ventures. The single goal of the company was to create jobs that paid well enough that students could work fewer hours and also gain meaningful work experience. Ventures now has service contracts with some of the largest employers in Memphis, including FedEx, St. Jude, and International Paper, and operates three high-performing call centers, a data analytic center, and an IT Command Center.

The company currently employs over 300 students and will grow to over 600 in the coming year, with wages ranging from \$15 per hour to \$26 per hour. The centers have performed remarkably well in comparison to other outsourced centers nationally, and provide not only high-paying jobs for students, but also a career pathway following graduation. Essential to this pathway is that these jobs provide early exposure, experience, and skills specific to each company involved, making UofM students uniquely qualified for jobs following graduation.

Gross revenue for Ventures is approaching \$4 million; the company is only in its second year and is already a profitable entity. In fact, Ventures received a national award for innovation in 2018 from the American Association of State Colleges and Universities (AASCU).

It's important to note that all funds from the company directly support students, with any marginal profit returned to the U of M Research Foundation to support faculty research, including our Ground Water Institute and STEM doctoral program expansion – both critical to not just regional but also national needs.

Our corporate partners have been thrilled with the performance to date, and we have high expectations for future growth, revenue, and, most importantly, meaningful influence on student outcomes. Early data indicates students who work for Ventures are uniformly staying on track for graduation within the four to six-year window, primarily as a result of the ability to cap work hours and focus more intently on academic demands.

Another initiative that has demonstrated remarkable success over the past five years is our Academic Coaching for Excellence (ACE) program, which provides psychosocial support and related time management and organizational skills education for students placed on academic warning.

For students investing a minimum of five hours of time over the course of a semester, the results of the ACE program have been nothing short of stunning. In the latest 2018 cohort, the retention rate for ACE participants was 87.3%, in sharp contrast to non-participants at 43.5% and almost equal to the general campus retention rate of 93%.

In short, just five hours of intervention in the ACE program more than doubled the retention rate for students placed on academic warning, with participants returning to “good standing” at a rate eight times higher than non-participants and grade point averages a full point higher in comparison.

Important to this effort is the simple nature of this intervention, with the primary focus revolving around time management, organizational skills, and social support to help students manage family and related interpersonal stressors. For first-generation students, in particular, the value of having someone to talk to during personal crises and having a mentor to provide guidance and insight into the college-going process cannot be underestimated.

Recognizing our institution has a significant population of male African American students who have historically struggled with poor retention and graduation rates, we launched the Memphis Advantage scholarship program to provide scholarship dollars and mentor support specifically tailored for these students.

The average annual scholarship is \$4,000, and, as a result, six-year graduation rates have more than doubled (from 28.5% to 58.1%) for those receiving support versus those not enrolled in the program for the last two cohorts. Overall African American male six-year graduation rates have improved dramatically over the past five years, ranging from 36% to 46%, in contrast to previous trends in the high teens to mid-twenties less than a decade ago. Efforts to expand the Memphis Advantage program are actively underway.

Additionally, given the large number of first-generation college students at our institution, the University of Memphis recently opened an Office of First-Generation Students to provide consolidated and coordinated delivery of a range of mentorship, leadership, and support programs for first-generation students. The targeted experiential learning and mentorship support mirrors the initiatives provided through both the ACE and Memphis Advantage programs, and has had a demonstrated positive effect on several hundred students across campus, with the opportunity to expand to over 1,000 students in the coming years.

Our Finish Line program also provides a unique alternative for students who stopped-out of the UofM with 90 or more hours (i.e. within a year to complete their degree). Finish Line helps the student develop an individualized program integrating face-to-face, online, and hybrid classes, along with experiential learning credit.

Over the past four years, the average number of hours to degree completion has been less than twelve, with an average cost of under \$2000. Private funds have been raised to help provide scholarships for many of these students. Finish Line has been widely recognized and received several national awards, including an honor from the American Association of Public and Land Grant Universities.

Our sustained focus on supporting our most vulnerable students demonstrate several things. First, addressing financial challenges and containing costs are critical for student success. Second, targeting psychosocial support and non-academic self-management and organizational skills has remarkable impact on students' ability to excel academically. Third, simple things make a big difference for retention and degree completion. We've discovered that it is not about academic capacity for our students, it's about support, both financial and psychosocial.

Finally, our most vulnerable students can achieve at high levels with limited but focused institutional support.

Once again, thank you for the opportunity to testify today. I hope the initiatives I have described today will inform your exploration of federal policies that could further support student success and improve our nation's graduation rates for all students – regardless of race, background, or circumstance. I look forward to answering any questions you may have.