

February 17, 2020

The Honorable Maggie McIntosh
Chair, House Appropriations Committee
Room 121
House Office Building
Annapolis, MD 21401

Re: Oppose HB 470

Dear Delegate McIntosh and Honorable Members of the Committee:

On behalf of DeVry University, I am writing to provide the Committee with our position and insights regarding proposed House Bill 470, cross-filed with Senate Bill 445. We cannot support this measure as currently drafted, however, we would like to offer the recommendations described below.

DeVry University is a degree-granting higher education institution serving more than 25,000 students across the United States. Founded in 1931, DeVry's mission is to foster student learning through high-quality, career-oriented education integrating technology, science, business and the arts. The University delivers practitioner-oriented undergraduate and graduate programs onsite and online to meet the needs of a diverse and geographically dispersed student population. DeVry University is regionally accredited by The Higher Learning Commission (HLC), and is regulated by the US Department of Education.

DeVry University strives to maintain the highest standard of transparency and student engagement. We also have a long history of championing equitable and effective oversight of all higher education institutions. We have taken a leadership role in this effort by voluntarily adopting our own accountability standards in 2016, which we refer to collectively as our Student Commitments.

One commitment is particularly relevant to proposed House Bill 470. DeVry has voluntarily elected to publicly report use of revenues for marketing, instruction and academic support, student services and scholarships. We believe transparency can help students make more informed decisions when choosing a college or university.

We are hopeful other institutions will follow our lead, and we generally support common sense public policy efforts to enhance transparency and protect students. A mandated minimum portion of spending on a specific category, however, will result in negative consequences for students.

There is little evidence that mandating levels of institutional spending on instruction will lead to increased institutional quality or better student outcomes. While it may seem intuitive that increased spending drives better outcomes, research does not appear to support the notion that increased spending on faculty salaries enhances academic quality. See for example: <https://www.theatlantic.com/business/archive/2013/09/study-tenured-professors-make-worse-teachers/279480/>. It is also not clear that increased spending on faculty salaries will actually lead to increased instruction time for students who need it. See for example: https://scholarworks.boisestate.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1022&context=sspa_14.

Instructional spending just is one of the countless variables comprising an institution's unique attributes. That single variable lacks the sophistication or context necessary to provide a qualitative assessment of an institution. Indeed, it has been estimated that 80% of all Maryland higher education institutions currently spend less than 50% of revenue on instruction. At The University of Maryland Baltimore, for example, 20% of revenue was dedicated to instruction. At Johns Hopkins, that number is just 35%. It's clear that 50% is an arbitrary threshold with little relation to institutional quality or outcomes.

We also have concerns with the definition of "instruction" used in the proposed legislation. It does not include key activities that are critical to student success, such as student support services, student scholarships, course development, or information technology used to support instruction. This has a unique impact for schools serving non-traditional learners, such as adults or part-time students. These students often require more resources such as student support services, advising or academic services, to help them successfully navigate their academic program. This bill ignores those categories, and focuses almost exclusively on faculty salaries.

Recommendations

While we cannot support mandatory spending thresholds, we do believe there is value in enhancing institutional transparency. There is also an opportunity to leverage the data to help determine whether and to what extent spending in various categories impacts educational quality or student outcomes. We recommend amending this bill to

require *all* higher education institutions serving Maryland students, regardless of tax status, to disclose the percentage of annual spending in the various categories as defined by the National Center for Education Statistics, including:

- a. Instruction
- b. Student services
- c. Instructional support
- d. Research
- e. Public service
- f. Academic support
- g. Net grant aid to students/scholarships and fellowships (excluding discounts and allowances)
- h. Auxiliary enterprises
- i. Hospital expenses
- j. Independent operations
- k. Other expenses

We also recommend this data be displayed on a public, searchable webpage, and that the Commission should study whether spending in various categories impacts educational quality or student outcomes, adjusted for relevant factors such as student demographics, institutional selectivity, mission, and geography, etc. This approach will provide greater transparency for prospective students and policymakers, while avoiding unnecessary harm to higher education institutions and the students they serve through implementation of arbitrary thresholds that are not based on objective data.

The Maryland Legislature has an enduring history of working with stakeholders, including higher education institutions from all sectors, to craft education policy that is reasonable, fair and effective for students and all institutions. We look forward to the opportunity to continue working closely in the future. Should you have any questions or concerns please do not hesitate to contact me at msanmarino@devry.edu.



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DeVry Student Commitments

1. Informed Student Choice:

We provide all prospective students with a disclosure containing key information about program performance, such as total cost, debt and default rates, as well as completion and graduation rates.

2. Responsible Recruitment and Enrollment:

We provide individualized financial and academic advising to all prospective students, and discuss with them any questions or concerns before making any financial commitment.

We record all admissions conversations, and have a process to evaluate a subset to ensure compliance and clear student communication.

We publically report our use of revenues for marketing, instruction and academic support, student services and scholarships.

3. Responsible Participation in the Federal Loan Process:

We have committed to derive no more than 85% of our revenue from federal funds, which includes military and VA funding. This exceeds the existing “90/10” federal requirement, which does not include military or VA funding in the federal portion.

Before implementing new academic programs, we review the planned program’s pricing and expected career outcomes to ensure alignment with the student’s ability to repay debt upon successful completion of the program.

4. Financial Literacy and Academic Transparency:

We provide each student with an annual Borrower Advisory Notice, which contains a detailed outline of the student’s borrowing and repayment obligations.

We provide students with clear information and assistance throughout their educational experience regarding progress and financial investment towards their academic goals.

We provide all students with access to Manage My Loans, a dynamic online tool that gives students ongoing visibility into overall program progression, outstanding loan balance (including estimated repayment obligations), financial position compared to academic progress, and credits required to graduate.

5. Improving Student Satisfaction:

Our enrollment agreements do not require students to arbitrate disputes with us, nor do we prohibit students from participating in or seeking class action remedies.

We maintain clear and transparent student complaint resolution policies readily available to students via DeVry's website and academic catalog or student handbook.

We provide students with an escalation pathway and contact information to state oversight bodies with jurisdiction over student consumer complaints.

6. Successful Student Outcomes and Accountability:

We identify and proactively engage with students who may be at risk for program completion. One example of our dedication to student outcomes is our partnership with Civitas Learning to implement a tool called Inspire. The tool uses algorithms based on student success predictors to provide faculty and Student Support Advisors with course-level engagement information for each individual student to identify underperforming students at risk of failing a particular course.

DeVry Student Support Advisors target proactive outreach to at-risk students at the right time with personalized advising strategies that take into account student-specific insights from Inspire, such as student background, course information, warning flags and outreach history.

An independent third party reviewed and confirmed DeVry's adherence to these commitments to our students in 2017 and 2018, demonstrating DeVry's commitment to student outcomes, transparency and accountability.¹

¹<http://newsroom.devry.edu/student-commitments/>