

# Perspectives on Select Trends in Higher Education: Owning Your Future



# Introduction

The challenges facing higher education today are perhaps more diverse and pressing than at any previous time. Enrollment is declining while costs are rising. The value of a college education is being questioned. The competition for top talent is intense, and employee expectations are shifting, leaving many to wonder about the future of postsecondary education.

Despite these hurdles, there remain exciting possibilities for continuing the invaluable impact of colleges and universities in support of the nation and our broader world. As the pandemic morphs into an omnipresent reality, we have research universities to thank for their contribution to helping create the COVID-19 vaccines. As we deal with political and social unrest, we have the nation's colleges and universities to prepare tomorrow's leaders for a future guided by history lessons and research advances. And as we face a global economy fraught with uncertainty, we have the promise of a college experience and degree to improve the lives of millions.

Real, sustainable advances such as these are made possible by the innovation taking place every day in higher education. Doubling down on their missions, college and university leaders are embracing new tools and resources to reshape their own destinies. They are innovating in online learning, creatively tackling staffing issues, expanding their impact by embracing place-based models, emphasizing student health and wellness, and making data-informed decisions enabled by cloud computing.

As leaders in collaborating with hundreds of colleges and universities across the country, Huron's higher education experts across our team have provided perspectives on select trends currently shaping the sector, including enrollment pressures, research funding sources, developments in philanthropy and college athletics, and legislation affecting the way colleges and universities do business.

Of course, this list is by no means exhaustive, and the examined trends are continuously evolving. By capturing the currents and crosswinds of the moment, these perspectives offer colleges and universities actionable steps for harnessing the possibilities before them for a brighter future.

We hope you find these insights helpful and invite you to connect with the following colleagues who can provide you with more information: Mark Finlan, education industry leader at [mfinlan@hcg.com](mailto:mfinlan@hcg.com) or Peter Stokes, strategy and innovation lead at [pstokes@hcg.com](mailto:pstokes@hcg.com).

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# Public Policy Outlook: Demonstrating Value to a Skeptical Public

Higher education's public policy landscape was already complicated with declining public confidence and myriad economic challenges. Then COVID-19 brought lawsuits over online learning, politically charged debates about vaccine and mask mandates, and increased fiscal strain. The trend lines in higher education public policy today point to both obstacles and opportunities ahead, with areas of uncertainty and challenge but also areas of great potential as highlighted below.

## **The cancellation of student debt for about 20 million people could herald a turning point in supporting college affordability:**

Protracted litigation will create uncertainty for the foreseeable future. At least four lawsuits challenging the plan have been filed, and more are expected. All make similar arguments as to why the plan is unlawful, but each takes a different approach to proving standing. The National Association of Student Financial Aid Administrators (NASFAA) predicts an influx of questions as details are sorted out. Several states are debating taxing the write-off as income. Forward-thinking universities will:

- Proactively reach out to students and alumni to explain eligibility requirements and processes.
- Actively participate in the national conversation on affordability and access to help shape public policy moving forward.

## **Uncertainty around Title IX will impact compliance and efforts to combat sexual harassment and assault:**

Pending [proposed rules](#) from the Biden administration would expand the definition of sexual harassment (narrowed under the Trump administration) and would establish rights for LGBTQ students. These changes are opposed by conservative groups. The rules would eliminate requirements for live hearings and cross-examinations in sexual assault disciplinary cases, established by the Trump administration, which have been criticized for deterring reporting and re-traumatizing survivors. These provisions are opposed by some advocates who say it compromises due process for the accused. It's uncertain when or if the rules will be adopted and what changes may be made. Regardless, litigation is a near certainty. Leading universities are considering the following:

- **Having a voice:** Closely monitoring development of the rules and shaping them through active engagement with policymakers, as individual institutions and through their various national associations.
- **Enhancing resources:** Investing in their Title IX compliance operations to be prepared for whatever adjustments will be necessary under whatever new rules are implemented.

- **Engaging constituents:** Actively communicating with their campus communities to help them understand public policy discussions and reaffirm their commitment to gender equity and a campus free from sexual harassment and violence.

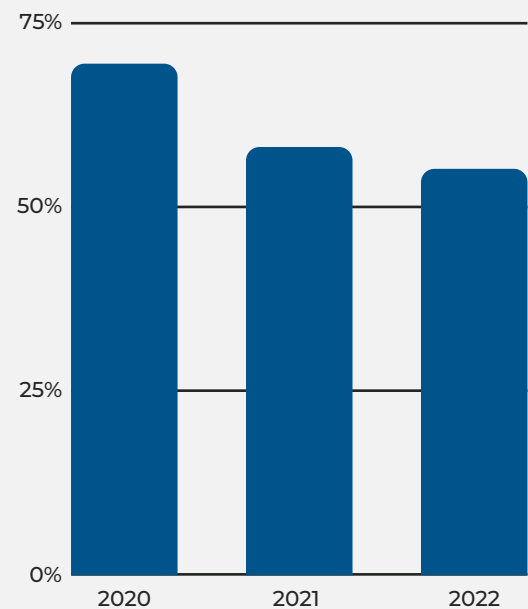
**The continued trend of public skepticism about the value of higher education can be an opportunity:**

The percentage of [Americans who said higher education positively affects the country](#) dropped 14 points in just two years, as illustrated in figure 1. Polls consistently show a partisan divide on trust in colleges and universities. Culture war battles affect institutional reputation and can threaten funding and bring excess regulation. Universities must work to demonstrate return on investment. Leading institutions will:

- **Make the case and shape the narrative:** It is vital that the fundamental value of a college education and the role of the university in the economic ecosystem is a catalyst for upward mobility.
- **Continue to support diversity, equity, and inclusion as fundamental:** A more diverse and equitable system of higher education will require sustained effort, but the return on investment is the creation of a more diverse and equitable society that values universities' central role in strengthening society through improved individual opportunity.

Uncertainty and opportunity often go hand in hand. The public policy arena for higher education presents several challenges and unanswered questions but also the possibility of advancing long-elusive goals and enhancing public confidence in universities across the nation.

## Public Opinion Declines



**Figure 1. Percentage of Americans surveyed that said universities have a positive effect on the country.**

Credit: New America, “[Varying Degrees 2022: New America’s Sixth Annual Survey on Higher Education](#)”



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# Redrawing Boundary Lines: Becoming a Place-Based University

For centuries one could safely assume that a great university was contained within the perimeter of its campus. Replete with a library, lecture halls, and other accouterments for learning, it was first and foremost a place, a built environment that required the physical presence of its students, faculty, and staff. Even today, as we head further into the third decade of the 21st century, we still think of universities this way. Their “placeness” seems completely obvious.

Over the years, various technologies have worked to change the way we think about education and “place” — including radio, television, and the internet. Yet “placeness” has remained paramount, even with the rise of wholly online universities. In fact, most institutions of higher education in the U.S. have embraced online instruction, even as they emphasize the primacy of their physical locations and treat their campuses as being nearly synonymous with their identity.

Today there is an emerging profile of a different kind of university: a “place-based” institution not bound to one location, as illustrated in figure 1. Often operating multiple campuses, “place-based” institutions are expanding brand visibility by delivering academic offerings in person and online irrespective of location. They see each instance of “placeness” as an asset and a means to better realizing their individual missions.

## Global Delivery Model



**Figure 1. Northeastern University's global university system**

Credit: [Northeastern University, “Our Global University System”](#)

Expect more universities in the decade ahead to move from a place-bound to a place-based conceptualization as they seek to maximize the value and extend the reach of their educational assets and enhance their impact and economic sustainability.

**Actions to Consider**

- **Strategically select physical operations:**

Crucial to conceptualizing place-based higher education is selecting the most relevant places to operate — where the institution's value proposition is aligned to the needs of the market and where the interests of economic development, education, industry, and human capital intersect and are mutually reinforcing. Doing this effectively requires awareness of the institution's value proposition — that is, an understanding of the institution's true competencies, limitations, and complementarities with its community and linked industries and organizations.

- **Integrate the physical and the virtual:**

Universities that succeed in being place-based institutions integrate in-person, hybrid, and fully online instruction to reach the learners

they are best positioned to serve. Doing this effectively requires understanding the dynamic needs of audiences in a market, the kinds of education offerings — the credentials, skills, or experiences — that will address those needs, and the university's role as an agent of economic development for its regions.

It is no longer necessary for universities to operate solely where they first emerged simply because that is where their brand first took root. The best universities will seek to serve in multiple geographies where the value they can provide will extend the mission.



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# Online Education: Focusing on Growth and Quality

The last three years forced colleges and universities to embrace and expand online offerings, taking many out of their comfort zones. And yet, online education emerged with campus stakeholders perceiving it more favorably than before and embracing the online learning experience as a viable opportunity to foster growth and innovation.

Now, with the top 10 online-only institutions **enrolling 20% of online-only students in the U.S.**, many state systems and individual institutions are trying to differentiate themselves by enhancing the quality of the online education they deliver and determine their optimal approach to growth. Consider these trends:

- Sixty-four percent of college students polled this spring strongly agree or somewhat agree that they prefer the option to take in-person and online courses, **up from 57% in fall 2021.**
- More than half of adults in 2022 believe that the quality of online instruction is the same or better as in-person instruction, **up from just over one-third in 2021.**
- Labor market changes and increasing workforce automation are fueling demand for online or hybrid learning and microcredentials, with **the market expected to grow 17% annually to \$117 billion by 2025** as illustrated in figure 1.

## Forecasted Online Growth



With an average annual growth rate of 17%, the online degree and micro-credential market is expected to grow to **\$117 billion** in 2025.

### Figure 1. Online degree and microcredential market forecast from 2020-2025

Credit: [HolonIQ, "Global Online Degree and Micro-Credential Market to Reach \\$117B by 2025"](#)

Here are three ways colleges and universities can carve out a meaningful position in a growing market.

#### Find the best fit:

There are many ways to enable growth and innovation in online education. Some institutions may focus on assessing current capabilities to determine necessary investments and organizational changes to drive growth organically and enhance



quality. Others may choose to strategically partner with online program management (OPM) companies or other collaborators. At the same time, others may pursue inorganic growth via acquisition. In all cases, organizational and mission alignment is key.

**Focus on quality:**

Growth in online offerings and quality can coexist. Ensure that growth does not come at the expense of quality teaching and pedagogy related to online learning best practices. Involve and support faculty in curriculum development and instructional delivery, and track learning outcomes with disciplined reporting. Proven quality can be a competitive advantage for more traditional institutions.

**Retain new students:**

Much of the conversation about online education focuses on acquiring new students. Seek ways to build affinity with online students and provide ways for stopout students to reenroll with ease. Efforts to enhance online student retention and satisfaction will pay off, as nearly half of [online program graduates say they are “likely” or “very likely”](#) to return to their institution for another program.



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# Talent Strategy: New Realities Prompt New Approaches

After a wave of departures, layoffs, and other workforce reductions, an [autumn 2022 study](#) found that the higher education workforce has returned to roughly its pre-pandemic size. But a closer look reveals both challenges and opportunities.

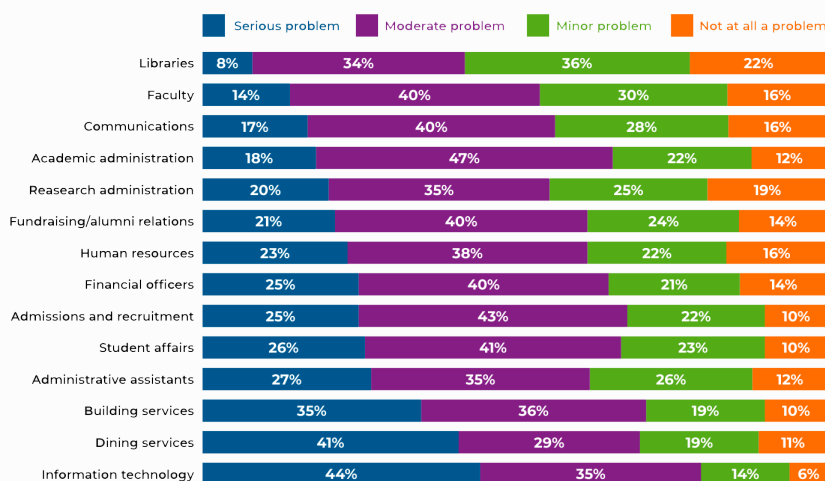
The pandemic accelerated cultural shifts percolating below the surface in many areas of our lives. In the workplace, issues such as salary, benefits, flexibility, and work-life balance are now front and center, prompting colleges and universities to reassess their employee recruitment and retention strategies.

A national survey of higher education leaders, hiring managers, and administrators conducted by Huron and The Chronicle of Higher Education captured many of these strategies. Here we present the survey's key findings and strategic actions institutions can take to respond to new workplace realities. [Access the full report.](#)

## Talent Acquisition

According to the Chronicle survey referenced in figure 1, colleges and universities are finding it harder to attract and retain talent, receiving fewer qualified applicants, and relying more on interim hires. There are also more open positions, with IT, building services, and dining services being the most difficult vacancies to fill.

## Key Service Areas Struggle to Recruit Talent



\*Percentages may not total 100% due to rounding

**Figure 1. Survey asking how problematic it has been to hire employees in the areas**

Credit: [Huron, "The Staffing Crisis in Higher Education"](#)

- **Do what is best for student success:**

Institutional realities make it difficult to meet the highest levels of employee expectations. Colleges and universities that focus on areas of critical need will be most successful.

- **Employ a data dashboard:** A single data source on new hires, promotions, and attrition can help monitor institutional performance and identify trends to improve workforce planning.

### Total Rewards

Seventy-seven percent of respondents said the overall appeal of working in higher education has decreased in the last year. And only about 1 in 4 said they either agree or strongly agree that their college has the right mix of salary, benefits, workplace culture, and mission to appeal to today's workers.

- **Adopt a total rewards philosophy:** Reframe conversations about individual benefits to the entire employee support system, such as training and development opportunities that allow people to thrive at work.
- **Re-imagine the workplace:** Foster a collaborative, inclusive culture that leads to greater employee engagement. Prioritize diversity, equity, and inclusion and incorporate multiple points of view to promote an environment of cultural plurality and strengthen organizational capabilities.

### Leadership

The uncertainty of the last several years has eroded the trust and loyalty of many employees. Leaders must work harder to restore confidence and focus on making their institution a preferred place to work.

- **Provide human resources with a seat at the table:** Leverage the important role of a chief human resources officer (CHRO) differently. With an inside view of employee engagement, CHROs can be an invaluable, yet often untapped, resource.
- **Foster a leadership culture where everyone is responsible for talent success:** Make talent acquisition and retention a priority of the campus strategic plan.



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# Higher Education Philanthropy: What's Next?

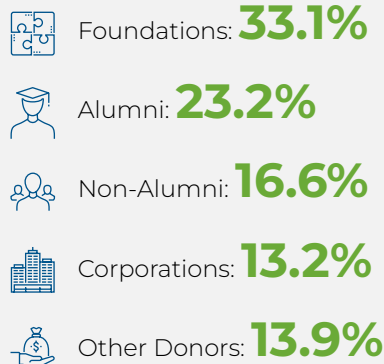
Higher education philanthropy looks very different today than it did a few years ago. [After declining in 2020](#) as illustrated in figure 1, giving to academic institutions has since rebounded — and megagifts of \$10 million or more are increasingly common. Here we examine several developments and trends influencing private and public colleges and universities.

## The Complexities of Charitable Giving

Large donations can be transformational, enabling institutions to expand their missions and better serve their communities. [Donations from foundations, alumni, and other leading college and university donors](#) are almost always positive for the receiving institution.

These gifts can have a significant impact on the future, vision, and opportunities of an institution. However, because donors may expect or assume undue influence, a receiving college or university must balance megagift management without compromising its values or mission. Furthermore, institutional leadership may strive to safeguard the future with significant gifts, but if fundamental challenges to the university's business model remain, the institution may ultimately return to an untenable position. Colleges and universities can benefit from considering the nuances, complexities, and risks associated with a megadonation.

## Major Donation Sources



**Figure 1. Leading college and university donor percentages**

Credit: [Case, "Voluntary Support of Education Key Findings, 2020-21"](#)

### Gains and Losses

Philanthropic giving to U.S. higher education [institutions exceeded \\$52 billion in 2021](#), resulting in a 6.9% increase over 2020. The growth in giving was fueled mainly by the stock market, with many significant gifts made as securities. However, [according to Bloomberg](#), college endowments declined a median of 10.2% before fees in the 12 months through June 2022, the most significant drop since 2009.

### Legislative Changes

[In the early 1970s, Pell Grants covered nearly 80%](#) of the cost of a public four-year education. Today, the award covers less than one-third of the average cost of tuition, fees, and room and board. Recent Pell Grant changes announced last year include increases in the maximum award amount and number of eligible students, availability for short-term skills and job-training programs, and the [exclusion of students enrolled exclusively in online programs](#). These updates have the potential to influence philanthropic giving in multiple ways, including how many dollars are needed to support students in their pursuits of higher education.

### Actions to Consider

Institutional advancement leadership is addressing these and other developments in multiple ways, including:

- **Utilizing descriptive and predictive analytics:** Dashboard visuals and comprehensive data analysis can lead to meaningful process and outreach improvements that streamline the institution's collective outreach efforts, increasing efficiencies and dollars raised.
- **Embracing innovation:** The rise in crowdfunding, point-of-sale fundraisers at retail checkout counters, and other nontraditional forms of giving have increased competition for fundraising efforts. Institutional advancement leaders must continue innovating their approaches and supporting technology platforms for giving.
- **Providing alternatives:** Many donors gravitate toward nonmonetary gifts, such as volunteering their time or talent. These types of gifts should be encouraged, as they provide value to students and cultivate long-term relationships with donors, which may result in continued philanthropy.



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# The Paradox of Higher Ed Mergers and Acquisitions

Interest in mergers and acquisitions (M&A) has grown among college and university leaders and board members over the past few years. While we might characterize this as “nontraditional” strategic thinking, it is to be encouraged. Industrywide change is afoot, and [leaders are appropriately asking how to position their institutions](#) for success in the coming decades. M&A could be one such avenue.

This growing trend has been fueled, at least in part, by a narrative of Darwinian inevitability that has become commonplace among higher ed prognosticators. While financial, demographic, and other headwinds continue to increase for colleges and universities, the operating model will become unsustainable for many small and regional institutions. The weak will be gobbled up by strong institutions hungry for growth. Or so it would seem.

## The Realities of the M&A Landscape

The same factors that make an institution available for acquisition generally make it unattractive to many potential buyers. Unlike the corporate sector, where companies are considered for acquisition because of attractive features such as innovative products or sharp growth trajectories, higher education acquisitions typically occur when a smaller institution is struggling and facing possible closure. This distinction may explain why some board members — veterans of corporate M&A — find themselves disillusioned by the options available.

For every successful merger or acquisition, there is significantly more window-shopping. Higher education leaders are faced with a situation where the challenges of the next decade, combined with the reluctance of larger institutions to absorb smaller ones, could yield more closures than mergers.

## Reasons for Failure

- Headaches outweigh the benefits
- Academic programs do not align
- The finances simply do not work

## Creating a Win-Win-Win

- Geographic expansion for the acquirer
- Enhanced college access for communities
- Preserved legacy for the acquired

What must change to subvert the paradox and convert the window-shoppers into deal-makers? First, the category of higher education **M&A must be reframed as a mission-oriented activity**. The very term “M&A” strikes many in higher education as evidence of the intrusion of the corporate and financial sectors into academia. But this doesn’t reflect reality. Institutions seeking acquirers often serve populations with tenuous access to higher education.

A key to breaking the cycle of window-shopping is to find “win-win-wins” among institutions with compatible aims. By recalibrating expectations, the higher education M&A ecosystem will become healthier for sellers and acquirers alike.



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# Campus Wellness: Emerging Best Practices

Supporting student health and wellness is central to student development and contributes to the well-being of the entire campus community, including faculty and staff.

With students citing mental health as one of the top reasons for dropping out of school and growing concerns about staff burnout making campus community mental health issues even more prominent, institutions must maintain a continuous presence and emphasis on mental health for students, faculty, and staff.

Increased student demand for mental health services over the last decade has outpaced available resources on nearly every campus in the U.S. as illustrated in figure 1.

In response, the U.S. Department of Education took the unusual step earlier this year to urge colleges to [use leftover funds from the Higher Education Emergency Relief Fund \(HEERF\)](#) to support campus mental health. And the U.S. surgeon general advised college administrators to hire more counselors and establish programs where students can help each other cope with mental health struggles.

Amid the concern, best practices for supporting mental health across campus are beginning to emerge, including:

## Demand for Mental Health Services

**30%** Rate of increase in annual U.S. suicides between 2000 and 2020.

**73%** U.S. university presidents indicating that the mental health of their students is a “pressing concern.”

**24%** Proportion of people with substance use disorder among traditional college-aged populations (18 to 25) in 2020.

### Figure 1. Increased demand for mental health services

Credit: [Department of Education, “Supporting Child and Student Social, Emotional, Behavioral, and Mental Health Needs”](#)

**Leveraging existing resources:**

- The [Vanderbilt University Student Care Network](#) is a one-stop shop combining services for all student mental, physical, financial, sexual, and other wellness needs.
- The University of North Carolina [Heels Care Network](#) is a central hub connecting multiple campus resources to provide 24/7 support, suicide prevention resources, a live student-to-student chat, and more.

**Expanding the approach:**

- Some schools are adopting the public health model, a multilevel, communitywide approach that engages every campus function and all members — not just clinicians — in support of student mental health and well-being. For example, the [University of West Georgia](#) has hired a chief wellness officer to manage end-to-end service delivery for all campus constituents.
- Recognizing that the health and wellness of faculty and staff is critical to preventing employee burnout, managing healthcare costs, and delivering an excellent student experience, institutions, including the [University of Montana](#), are creating employee wellness days and expanding the success of wellness programs aimed at individuals to promote well-being for all employees.

**Providing additional touch points and accommodations:**

- [The Ohio State University](#) and [Michigan State University](#), among others, are integrating student health services into the residential experience to reduce costs and improve outcomes.
- The University of California, San Francisco offers [“release time,”](#) which allows students to leave classrooms or labs without penalty for medical appointments, including therapy.

As centers of innovation with a vested interest in serving society, colleges and universities can contribute as national leaders in addressing the public mental health crisis.



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# A New Playing Field in Intercollegiate Athletics

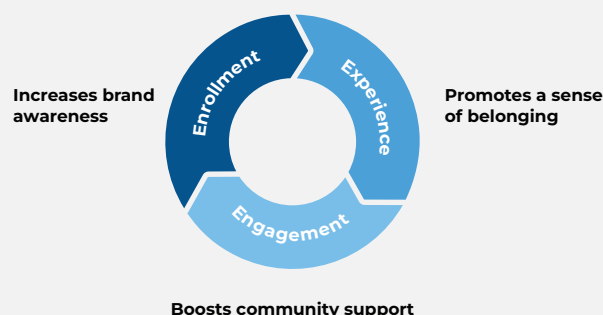
Intercollegiate athletics is uniquely American and a part of our shared cultural heritage. In addition, college sports are behind only the GI Bill and the Pell Grant program in providing broad access to a college education. These attributes, and the potential for athletics priorities and academic goals to come in conflict, make college sports among the most publicly scrutinized programs in higher education.

Today, the pace of change and the range of possibilities NCAA Division I is a highly diverse group of 350 schools, 32 conferences, and three subsections — Football Bowl Subdivision (FBS), Football Championship Subdivision (FCS), and non-football-playing members. These differences are magnified as conference realignment occurs, and many institutions will be forced to evaluate and defend their program's value as illustrated in figure 1.

## Program value will come under increased scrutiny:

NCAA Division I is a highly diverse group of 350 schools, 32 conferences, and three subsections — Football Bowl Subdivision (FBS), Football Championship Subdivision (FCS), and non-football-playing members. These differences are magnified as conference realignment occurs, and many institutions will be forced to evaluate and defend their program's value as illustrated in figure 1.

## Indirect Benefits of Athletics



**Figure 1. Nonfinancial impacts of intercollegiate athletics**

- Reinforce messaging about the positive impacts of intercollegiate athletics on the institution, including enrollment, experience, and engagement.
- Communicate athletics contributions to the institution's diversity, equity, and inclusion (DEI) goals.

## Costs will continue to rise, as will downward pressure on revenue:

The median annual expenses for Division 1 FBS schools per program have increased **78% in 10 years**, from \$42.4 million in 2009 to \$75.5 million in 2019.



- Reevaluate the **budgetary model**. Consider how athletics impacts the financial health of the entire institution and collaborate on prioritizing and aligning future investments.
- Assess whether and how to align the business model of athletics to existing resources. Explore **new strategic partnerships**, joint ventures, and other commercial opportunities to maintain competitive programs and manage costs.

**Regulatory and governance uncertainties will persist:**

Different states are already examining NIL statutes, the NCAA Transformation Committee will bring changes for all three divisions, and Congress will continue to consider potential action.

- Create more substantial alignment between institutional leadership and the athletics department.
- Engage university leaders in establishing guidance for boundaries and expectations.

Together with institutional leadership aligned and guided by the collective mission to provide a high-quality education to all students, athletic programs can overcome these uncertainties and continue to enrich our shared cultural heritage.



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# Community College Enrollment: The Ripple Effect

Declines in community college enrollment over the last decade have revealed significant repercussions. When fewer students are enrolled in community colleges, access to higher education for lower-income students and students from traditionally underrepresented backgrounds is limited and the transfer pool for many four-year institutions is diminished.

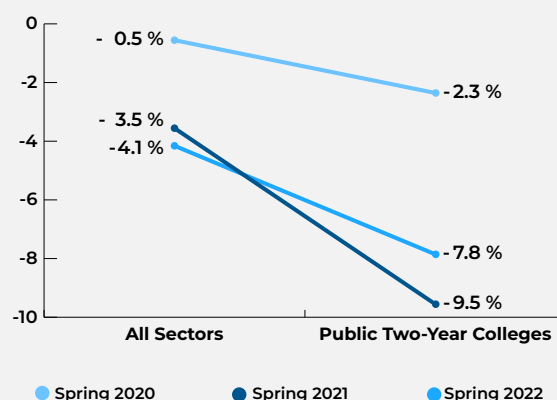
Subtle enrollment declines across higher education have percolated for the last two decades, with an even more pronounced drop since the beginning of the pandemic. [Overall enrollment, including undergraduate and graduate students](#), decreased by 4.1% from 2021 to 2022, and community college enrollment dipped by 7.8% — on top of declines from the previous year as illustrated in figure 1.

The effect has been unequally distributed among specific populations. [Male students 18 to 24 years of age](#) experienced the largest losses, with [enrollment rates for Black men](#) falling by 14.8% across all higher education institutions and 23.5% among those enrolled in two-year colleges. For [Latino men](#), the declines were 10.3% and 19.7% respectively.

## Taming the Headwinds

In addition to the exit from higher education that the above statistics represent for men from underrepresented groups, the loss of a reliable enrollment pipeline is an added pressure for four-year institutions.

## Community College Enrollment Declines



**Figure 1. Year-over-year enrollment declines by percentage**

Credit: [National Student Clearinghouse Research Center](#)

As institutions struggle with increasing skepticism about the value of a college degree, the expiration of Higher Education Emergency Relief Fund (HEERF) funding that buoyed college coffers, and ambiguity on student loan debt forgiveness, many are also bracing for the enrollment cliff around 2025, which is expected to drive the applicant pool down even further.

While the way ahead may not be entirely clear, there are lessons to be learned from colleges and universities adopting new approaches, including:

- **Demonstrating the value of higher education:** Show how each institution's distinct college experience is important to a lifetime of success.
- **Using data to inform the big picture:** Strengthen operations and analytics to provide another lens for guiding decision making.
- **Collaborating with other colleges and universities:** Consider clarifying overly strict or confusing articulation agreements that make it difficult for community college

students, many of them first-generation students without prior knowledge of the process, to transfer to another two-year college or matriculate to a four-year institution.

- **Refining the curriculum:** Align existing degree programs and tailor new ones to market needs.
- **Rethinking the admissions process:** Make it easier and faster for students to [apply and be accepted to college.](#)
- **Supporting transfer students:** Develop [agile approaches to attracting, retaining, and supporting](#) community college graduates seeking a bachelor's degree.



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# The CHIPS Act and Other Influences of Research Fiscal Policy

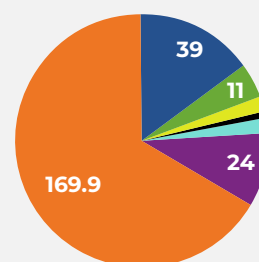
Several years ago, forecasters [predicted reduced federal research funding levels](#), consolidation and outsourcing, further migration to the cloud, and an increased emphasis on science driving research investment and policy. However, the pandemic and other unexpected dynamics have disproven several of these predictions and thrown a wrench into others. For example, research funding levels have increased in certain areas, but access to the dollars remains a challenge. Here we present an assessment of current research fiscal policy drivers and the implications for research institutions.

## Funding Is Healthy and So Is the Competition

National Institutes of Health (NIH) funding distributed to research universities — a reliable indicator of available dollars for research — [has nearly doubled in the last decade](#), indicating a positive upward trend. But even that pool pales in comparison with the game-changing CHIPS and Science Act as illustrated in figure 1.

The act authorizes [\\$248 billion in research and technology investments](#) to boost domestic semiconductor research and manufacturing. With such a massive infusion, additional funding is a certainty for some — and competition among tier-one research (R1) institutions to capture CHIPS and Science Act funding from government agencies will be intense. To ensure their participation, universities are fortifying their chances now in multiple ways:

## \$248 Billion in CHIPS Funding



- Department of Commerce Manufacturing Incentives
- Department of Commerce Research and Development
- Workforce and Education Fund
- Defense Fund
- International Technology Security & Innovation Fund
- Public Wireless Supply Chain Innovation Fund
- Investment Tax Credit (for semiconductor manufacturing investments)
- Research & Innovation (through NSF, other federal agencies)

**Figure 1. CHIPS and Science Act projected spending in billions**

Credit: [Investopedia, CHIPS and Science Act of 2022](#)

- **Analyzing data:** Use dashboards and other technology tools to assess capabilities and set request for proposal (RFP) priorities in areas where institutions are most likely to succeed.
- **Marshaling resources:** Align internal and external resources to these priorities, including corporate relations, government relations, IT, and university leadership on campus and key corporate partners and other research institutions externally.

### Moving to the Cloud Is Transforming Research Administration Services

In addition to funding, other trends driving changes in the research space include the creation of formal partnerships or mergers of academic research organizations with traditional healthcare organizations and a move toward outsourcing aspects of research administration to improve service, reduce cost, or address chronic staffing shortages.

Against this backdrop, and with a growing need for business continuity solutions, data warehouses, cloud storage, and processing have become more appealing.

- **Upside:** The U.S. research system is becoming more efficient at streamlining administrative processes.
- **Complicator:** Poor execution can be costly. Selecting and implementing the right technology solution requires smart planning, specialized expertise, and a significant investment in training and change management.

### Weighing Research Priorities Remains a Balancing Act

Decisions about research priorities on a national scale can be a complicated mix of science, politics, and practical realities.

- **Upside:** When sound public policy and open discourse drive decision making, long-term investments are made in critical areas that benefit public health, national security, and global competitiveness. Examples of productive efforts include development of the COVID-19 vaccines and passage of the CHIPS and Science Act.
- **Complicator:** The political and public policy environment is likely to continue to be uncertain, and the scientific and research community will need to continue to actively communicate the complexity of their work in ways that rally public support and demonstrate societal value and return on investment.



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# Putting Possible Into Practice

As the world changes at dizzying speeds, the institutions that provide the education we rely on to facilitate positive change must also successfully manage change.

It is the nature of higher education to be constantly evolving, to empower the best and brightest faculty and scientists to discover solutions to unsolvable problems, to amass and transmit past knowledge in ways that envision and inspire an exceptional future, and to be the place where ignorance and uncertainty are constantly transformed into knowledge and hope.

**At Huron, we share the values of academia:**

- A thirst for knowledge
- A belief in human progress
- A passion for uncovering evidence to inform decisions
- A commitment to pursuing objective truth to improve the world

We help colleges and universities put the possible into practice by bringing business acumen to the academic mission and culture. We help our client institutions use data to drive strategy and improve operations for a sustainable future where colleges and universities can succeed in supporting access and affordability, strengthen academic excellence, power the discoveries of tomorrow, and support diversity, equity, and inclusion. We share higher education's passion for a better world.

[Learn more about us.](#)