PROJECT MORRILL:
ACTING ON 3 REALITIES
"The land-grant university system is being built on behalf of the people, who have invested in these public universities their hopes, their support, and their confidence."

“…to establish at least one college in every State upon a sure and perpetual foundation, accessible to all, but especially to the sons of toil…”

Abraham Lincoln

Sen. Justin Morrill

1862 Morrill Act
NO EDUCATION BEYOND HIGH SCHOOL

• 56 million Americans over age 25 (1 in 4)
  o 29% URM
  o 27% of Hispanics; 30% of Blacks

• 1.5 million Hoosiers age 25+ (1 in 3)

• Lifetime earnings: $964K less than those with a bachelor’s

Sources: U.S. Census, Carnevale 2011.
SOME COLLEGE, NO DEGREE

- 36 million Americans age 25+ (17%)
- 900,000 Hoosiers age 25+ (1 in 5)
  750,000 between age 25-64
- Lifetime earnings: $721K less than those with a bachelor’s

“Beyond doing better with the current pipeline, we must also get 300,000 of the 737,000 Hoosiers with some college but no degree to come back and finish their degree.

“Indiana’s colleges, employers and communities must fundamentally shift their thinking about higher education to ensure it meets the needs of returning adults.”

-Indiana Commission for Higher Education
REALITY #1:
There are millions we do not serve.
Conclusion:
We cannot honor our land grant mission in this century while ignoring this unmet need.
REALITY #2:
The growth of online education.
% OF UNDERGRADS ENROLLED IN ONLINE ONLY PROGRAM

Nationwide

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>4%</td>
</tr>
<tr>
<td>2012</td>
<td>7%</td>
</tr>
<tr>
<td>2014</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: NCES, 2015
BIG TEN: # OF ONLINE GRADUATE & UNDERGRADUATE PROGRAMS

Wisconsin
Penn St.
Illinois
Michigan
Minnesota
Indiana
Nebraska
Maryland
Michigan St.
Purdue WL
Rutgers
Iowa
Northwestern
Ohio State

# of Online Graduate & Undergraduate Programs

0 10 20 30 40 50 60 70 80 90
BIG TEN: # OF ONLINE UNDERGRADUATE PROGRAMS

Wisconsin
Penn St.
Michigan St.
Minnesota
Indiana
Illinois
Maryland
Iowa
Nebraska
Rutgers
Purdue WL
Northwestern
Michigan
Ohio State
Conclusion:
We don’t know the full dimension, but online will be a larger phenomenon in the future, and we are not equipped for that future.
REALITY #3: We can’t build it ourselves.
Fall 2015: Analysis by Digital Education office concludes development of undergraduate programs would be cost & time prohibitive.

Spring & Summer 2016: 2\textsuperscript{nd} group convenes with broad campus representation. Reaches same conclusion.

Late Summer 2016: Board decides to not pursue bachelor’s degrees while emphasizing graduate online degrees & non-credit online programs.
1. Market research / Need determination
2. Department deliberation
3. Identify faculty interest
4. Identify financial resources
5. Develop & submit concept paper
6. Submit & circulate full proposal internally
7. Submit proposal to Indiana Commission for Higher Ed
8. Administrative offices determine market-based course tuition rate
9. Approval from Treasurer’s Office
10. Course development (80-120 hours per course x at least 10 courses)
11. Integration with Graduate School, Bursar, Registrar, Financial Aid
12. Marketing program / Recruitment of students (6 months minimum)
13. Courses begin
Conclusion:
To be a 21st century land grant, Purdue must acquire the capabilities for online excellence.
PROJECT MORRILL:
Purdue acquires a leading online university.

Purdue University
BENEFITS

• Purdue becomes a 21st century land grant
• Positioned for future, no matter how much online education grows
• New online infrastructure available for faculty at West Lafayette & regional campuses
• Financially positive
INTRO TO “MORRILL U.”

- Accredited by HLC (same as Purdue) through 2025-26
- ~32,000 students
- ~12,000 degrees awarded per year
- 2,462 faculty: 1,034 with a Ph.D.
- Average cost to degree: $34,000
- No obligation tuition refund up to 3 weeks
“MORRILL U.” DEGREE AREAS

Enrollment by Degree & Program

By Program Areas

- Health Sciences: 25%
- Behavioral Sciences: 39%
- Business: 20%
- Nursing: 9%
- IT: 6%
- Education: 1%

Schools

- School of Business & IT
- School of Education
- School of Health Sciences
- School of Nursing
- School of Social & Behavioral Sciences
- Law School
“MORRILL U.” DEMOGRAPHICS

- Female: 74%
- Military-affiliated: 26%
- Have had some prior post-secondary education: 84%
- Over age 30: 60%
- Neither parent attended college: 55%
- Students with 3 or more “risk factors”: 84%
“MORRILL U.” SERVES NON-TRADITIONAL POPULATION

U.S. Ed defined risk factors
- Student is older than 22
- Attends school part time
- Files taxes as independent
- Has earned a GED
- Works full time while enrolled
- Legal dependents (non-spousal)
- Is a single parent
“MORRILL U.” STUDENT SUCCESS

Income Gains of Graduates

Graduation Rates by # of Risk Factors

Graduation Rates by # of Risk Factors

Morrill Graduation Rate

National Graduation Rate

Average # of risk factors

# Risk of Factors

Associate
Bachelor’s
Master’s

Pre-enrollment
After 2 yrs
After 5 Yrs

Associate
Bachelor’s
Master’s

$18K
$29K
$18K

$28K
$33K
$33K

$33K
$41K
$52K

$28K
$52K
$64K

$0
$10,000
$20,000
$30,000
$40,000
$50,000
$60,000
$70,000

0%
10%
20%
30%
40%
50%
60%
70%

0
1
2
3
4
5
6

$0
$10,000
$20,000
$30,000
$40,000
$50,000
$60,000
$70,000

0%
10%
20%
30%
40%
50%
60%
70%

0
1
2
3
4
5
6

Morrill Graduation Rate
National Graduation Rate
<table>
<thead>
<tr>
<th>Question</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied with overall experience</td>
<td>90%</td>
</tr>
<tr>
<td>Education was relevant to goals</td>
<td>90%</td>
</tr>
<tr>
<td>I would recommend the university to others</td>
<td>82%</td>
</tr>
<tr>
<td>The university always put my needs as a student first</td>
<td>78%</td>
</tr>
</tbody>
</table>
CHRONOLOGY OF EVENTS

• Initial conversation between institutional leaders – November 17, 2016

• Non-Disclosure Agreements Signed – December 16, 2016

• Due diligence begins – December 21, 2016

• Academic Program Review – January 2017

• Concept introduced to deans – January 31, 2017

• Multiple Interactions with Higher Learning Commission – Feb. to April

• Comprehensive Due Diligence concludes – April 21, 2017

• Trustees meet to approve – April 27, 2017
DUE DILIGENCE

• **Academic Quality**

• **Financial & Operational Strength**
  o Virtually no financial risk. Strong upside potential.

• **Reputation**
  o Viewed positively for ethics, academics, regulatory & legal compliance
  o Parent company is highly revered entity with important place in American history.
KAPLAN UNIVERSITY: BRIEF HISTORY

1938 • Stanley Kaplan, a son of Brooklyn immigrants starts a test preparation service
   • Believes success on standardized tests would help discriminated prospective students to objectively prove qualifications.

1984 • Washington Post Company acquires Kaplan

1993 • Don Graham becomes chairman of Board
Purdue University
West Lafayette

Purdue University
Northwest

Purdue University
Fort Wayne

Purdue Colleges at IUPUI

Graham Holdings
Don Graham, Chairman

Kaplan, Inc.

Test Preparation

Professional Ed

International

Kaplan University

Academic Operations

Back-office Support
Purdue University
West Lafayette

Purdue University
Northwest

Purdue University
Fort Wayne

Purdue Colleges
at IUPUI

Graham Holdings
Don Graham, Chairman

Kaplan, Inc.
Test Preparation
Professional Ed
International

Back-office Support

Support Services Agreement
## Purdue Undergraduate System

<table>
<thead>
<tr>
<th>Institution</th>
<th>Average Age</th>
<th>Campus Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purdue University West Lafayette</td>
<td>20</td>
<td>Residential</td>
</tr>
<tr>
<td>Purdue University Northwest</td>
<td>23</td>
<td>Non-Residential</td>
</tr>
<tr>
<td>Purdue University Fort Wayne</td>
<td>22</td>
<td>Non-Residential</td>
</tr>
<tr>
<td>Purdue Colleges at IUPUI</td>
<td>24</td>
<td>Non-Residential</td>
</tr>
<tr>
<td>Purdue &quot;NewU&quot;</td>
<td>34</td>
<td>Online</td>
</tr>
</tbody>
</table>

*Ages undergraduate only*
President Daniels
Purdue West Lafayette

Chancellor Keon
Purdue Northwest

Chancellor Carwein
Purdue Fort Wayne

Chancellor Betty Vandenbosch
Purdue “NewU”*

*University name is yet to be determined
REMAINING STEPS

- **Today**: Trustees Approval
- **Summer**: Indiana Commission for Higher Education
- **TBD**: U.S. Department of Education
- **November**: Higher Learning Commission
FACULTY INPUT REQUESTED

- How can we avoid duplication while taking full advantage of the new online infrastructure?
- What ideas would enhance academic programming at the NewU?
- Could access to a national network of underserved students generate new research and engagement opportunities?
- What should “NewU” be called?

Please submit questions & ideas to: NewUniversity@purdue.edu

Jon Harbor, Purdue Director of Digital Education
“I’m excited by this opportunity for a world-class university to expand its reach and help educate adult learners by acquiring a strong for-profit college. This is a first, and if successful, could help create a new model for what it means to be a land-grant institution.”

-Arne Duncan, Sec. of Education under Barack Obama
PROJECT MORRILL: ACTING ON 3 REALITIES