A Market for Success: How a Robust Service Provider Market Can Help Community Colleges Deliver Success

Presented and Moderated by: Jeff Kutash, Managing Director, FSG; Kate Tallant, Senior Consultant, FSG

In Conversation with: Dr. Rob Johnstone, Senior Research Fellow, The RP Group; Dr. Karen Stout, President, Montgomery County Community College; Dr. William Trueheart, President and CEO, Achieving the Dream

April 16, 2012, 11:30am – 1:00pm PT / 2:30 – 4:00pm ET
Opening Remarks and Overview of Key Findings from FSG’s Report, *A Market for Success*  
Jeff Kutash and Kate Tallant, FSG

Panel Discussion on the Implications of the Findings  
Dr. Rob Johnstone, Senior Research Fellow, The RP Group  
Dr. Karen Stout, President, Montgomery County Community College  
Dr. William Trueheart, President and CEO, Achieving the Dream  
*Moderated by* Jeff Kutash, FSG

Audience Q&A

Closing Comments  
Jeff Kutash, FSG
Overview of FSG

• **FSG is a nonprofit consulting firm specializing in strategy, evaluation and research**, founded in 2000 as Foundation Strategy Group and celebrating a decade of global social impact

• Partner with **foundations, corporations, nonprofits, and governments** to develop more effective solutions to the world’s most challenging issues
  – Advised **over 400 clients** in every region of the world
  – Issue areas include **education & youth, global development, global health, US health, community, and environment**

• **Recognized thought leader in philanthropy and corporate social responsibility** with multiple articles published in *HBR*, *SSIR*, *Chronicle of Philanthropy*, and *the American Journal of Evaluation*

• **Staff of 100 full-time professionals** with offices in Boston, Seattle, San Francisco, Washington DC, Geneva, and Mumbai, India
  – **Passion and knowledge** to solve social problems
  – Combination of **on-the-ground experience and world-class consulting skills**

*As a nonprofit, FSG is driven by the same passion that drives our clients: a passion for greater social impact*
About This Research

Purpose of this research
• **Intended to inform** community college leaders, funders, providers, and other stakeholders about the need, demand for, and supply of service providers that can support community colleges to improve student completion

Approach
• **Based on a survey** of 385 community college leaders (35% response rate) as well as 33 **interviews** with community college leaders, service providers, and field experts

FSG gratefully acknowledges the support of the Bill & Melinda Gates Foundation in the development of this report
Community Colleges are Increasingly Recognized for their Critical Role in Society, and Are Now Being Called on to Do More

Community colleges are an increasingly important part of the U.S. higher education system

- In 2008, nearly 1,200 community colleges across the country educated 12.4 million credit and noncredit seeking students – 44% of all U.S. undergraduates¹
- Community colleges have achieved notable success in extending college access to millions of first-time college goers, low-income young adults, and students who juggle school with work and life commitments

While they have done remarkable work in increasing access, they must now focus on success

- Today, only 40% of community college students either graduate or transfer to a four-year institution within three years²
- For students, this low rate of success closes off opportunity for the best and most rapidly growing jobs – economists project that through 2018 63% of all new jobs will require more than a high school diploma³

Community colleges have been and continue to be resource challenged

- Community colleges receive just 27% of federal, state, and local revenues for public degree-granting institutions, and budgets are being cut across the country
- Community colleges face capacity challenges in improving success on their own (e.g., part time or adjunct faculty comprise nearly 70% of all community college faculty)

Colleges are under-resourced and would benefit from help to succeed

Notes: (1) AACC 2011 Fast Facts, (2) http://www.aacc.nche.edu/Publications/Briefs/Pages/rb11162010.aspx (3) Carnavale, Smith, and Strohl, “Help Wanted: Projections of jobs an education requirements through 2018”
A Robust Service Market Could Help Community Colleges Meet the Challenge of Shifting from Access to Success

### The Needs of Community Colleges

<table>
<thead>
<tr>
<th>Five capacities present the most critical needs for improving student success</th>
<th>Across these capacities, there is broad agreement that support from external providers is critical in four key areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong leadership</strong>: leadership preparation, ongoing training, and integration throughout the institution</td>
<td><strong>Long-term planning on how to re-design institutions to drive completion</strong> (e.g., development of multiple, distinct student pathways, strategic planning and organizational change)</td>
</tr>
<tr>
<td><strong>Faculty development</strong>: specifically around improving the quality of instruction</td>
<td><strong>Use of data</strong> (e.g., student learning outcomes assessments, college readiness assessments, and institutional evaluation and data coaching)</td>
</tr>
<tr>
<td><strong>Use of data</strong>: using data to drive improvement in the classroom and organization</td>
<td><strong>Developmental education</strong> support and acceleration</td>
</tr>
<tr>
<td><strong>Student learning and supports</strong>: areas such as developmental effectiveness that particularly affect the experience of high-needs students</td>
<td><strong>Faculty development</strong> to improve the quality of instruction in the classroom</td>
</tr>
<tr>
<td><strong>Organizational effectiveness</strong>: strategic planning and change management to drive and sustain improvement</td>
<td></td>
</tr>
</tbody>
</table>

Need exists in other areas as well, but demand for services is more variable as colleges seek to address issues on their own.

Source: FSG interviews, survey, and research analysis
### The Current Market Is Under-Developed, with Depressed Demand and Challenges to Increasing the Supply and Scale of Quality Providers

#### Characteristics of Today’s Service Market

<table>
<thead>
<tr>
<th>Colleges primarily look internally to fill their needs for multiple reasons</th>
<th>Supply of services is underdeveloped and providers do not operate at scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Barriers to Increasing Demand:</strong></td>
<td><strong>Barriers to Improving Supply:</strong></td>
</tr>
<tr>
<td>• Colleges <strong>struggle to afford</strong> services given tightened budgets</td>
<td>• <strong>Depressed demand and funding</strong> prevents new entrants and scaling of existing organizations</td>
</tr>
<tr>
<td>• <strong>Internal resistance</strong> exists to engaging external providers (e.g., boards and faculty may be entrenched, organizational barriers may prevent change, culture and habit may present inertia against doing things differently)</td>
<td>• There is a <strong>lack of understanding and consensus</strong> around what community colleges need and <strong>HOW</strong> to best address those needs</td>
</tr>
<tr>
<td>• Colleges are <strong>not confident in the quality / cost effectiveness</strong> of providers in the current market</td>
<td>• <strong>A lack of incentives</strong> hinders innovation and competition to supply better services</td>
</tr>
<tr>
<td>• Colleges <strong>don’t feel services are tailored</strong> to their circumstances or rooted in their needs</td>
<td>• While some providers are effective, overall <strong>quality varies greatly</strong> and there is a lack of quality assurance</td>
</tr>
</tbody>
</table>

Source: FSG interviews, survey, and research analysis
Survey Respondents Report “Great Need” for a Number of Services, But Few are Rated “Very Effective”

Community College Need for vs. Effectiveness of Services

Need:
- Colleges report a critical need for services across the board
- The need for services is particularly high for dev ed support, faculty development, and student outcomes / college readiness assessments

Effectiveness:
- Few services are rated “very effective”
- The least effective services are org change, student pathways, and leadership development

Availability:
- Overall, availability of services is relatively high
- However, key gaps exist for data use, dev ed support, and student pathways

Note: “More Available” = 80% or more rated as available; “Less Available” = less than 80% available
Source: FSG Survey
A Healthy Market Requires Effective Providers Operating at Scale, Demand for Services, and Funding to Engage Providers

- **Effective Providers at Scale**
  - The current market is **highly fragmented** – many providers are available, but few deliver integrated, customized solutions that are cost-effective
  - While some providers are effective, overall **quality varies greatly**

- **Demand For and Capacity To Benefit From Services**
  - Colleges often **look internally to fill their needs**
  - Colleges have difficulty **identifying and selecting** quality providers as well as acting on their recommendations

- **Funding to Engage Providers**
  - There is **willingness to pay** for services that are proven to demonstrate positive outcomes
  - However, colleges face significant budget constraints and **affordability is the greatest barrier** to engaging a provider
  - Lack of funding makes it difficult for providers to **enter the market or scale**

Source: FSG interviews, survey, and research analysis
Building a Market that Accelerates Completion Will Require the Field to Take Actions that Stimulate Demand for *and* Improve Supply of Services

<table>
<thead>
<tr>
<th>Summary of Recommendations for Building a Robust Service Market that Increases Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Levers to Identify High Potential Markets</strong></td>
</tr>
<tr>
<td>- Develop markets in states with <em>funding and other policies</em> that reward completion</td>
</tr>
<tr>
<td>- Develop markets in states and regions with <em>high numbers of community colleges</em> and community college students</td>
</tr>
<tr>
<td><strong>Levers to Improve Demand</strong></td>
</tr>
<tr>
<td>- Improve <em>institutional capacity</em> to make effective use of services</td>
</tr>
<tr>
<td>- Increase <em>awareness of providers</em> and their demonstrated effectiveness in improving completion</td>
</tr>
<tr>
<td><strong>Levers to Improve Supply</strong></td>
</tr>
<tr>
<td>- Provide <em>additional, high-quality services</em> in the areas of greatest need</td>
</tr>
<tr>
<td>- Create a public system for <em>quality assurance</em> and communication of effectiveness</td>
</tr>
<tr>
<td><strong>Levers to Improve Funding and Conditions</strong></td>
</tr>
<tr>
<td>- Provide incentives to develop <em>low-cost, high-quality products</em> and services</td>
</tr>
<tr>
<td>- <em>Aggregate demand and supply</em> to make high quality services more affordable and accessible</td>
</tr>
</tbody>
</table>
Panel Discussion

**Discussion Questions**

- Are service providers truly needed to help community colleges increase student completion? Why?
- What challenges do community college leaders face in effectively engaging service providers? What challenges do service providers face to providing effective services to community colleges?
- What can community college leaders and service providers do to build a more robust service market that increases completion?
Thank You!

• Thank you for joining in the conversation today

• Please fill in the brief electronic survey that you’ll receive after today’s event to share your feedback with us

• For more information on FSG or to download a copy of the report, *A Market for Success*, visit [www.fsg.org](http://www.fsg.org) or contact us at info@fsg.org