

NASFAA “Off The Cuff” - Episode 127 Transcript

Justin Draeger: Hey, everyone. Welcome to this special edition of "Off The Cuff." While we're on holiday break, if you need a podcast while you're driving or a break from your family, you can listen to this great episode I did with Jon Boeckenstedt. He is the vice provost of enrollment management at Oregon State. With all the changes in admissions and the Justice Department investigation into NACAC, our admission counselors code of conduct and ethical principles, we wanted to talk about what this looks like for higher education in the months and years ahead.

So give it a listen, and let us know what you think on the other side. Have a great Thanksgiving.

Jon Boeckenstedt: Jon Boeckenstedt.

Justin Draeger: Hey, Jon, this is Justin from NASFAA. How're you doing?

Jon Boeckenstedt: Good, how are you?

Justin Draeger: Good. Thank you for joining us today, we appreciate your time. You are the vice provost of enrollment management at Oregon State. And this is after spending, did you say, 17 years at DePaul?

Jon Boeckenstedt: Yeah, I had been at DePaul 17 years and the time just flew right by. It was hard to leave, but it's good to be at a new place.

Justin Draeger: Yeah. Congratulations on the move.

Jon Boeckenstedt: Thanks.

Justin Draeger: One of the things that you're sort of known for, I'd say, from where I'm sitting, a couple of things you're known for. One is the kind of guy who gets right to the point, so maybe that's because of the format on Twitter. You're pretty well known for surmising what's going on in the enrollment management field and then what's going on with various policies that play out in that field. That's one of the things I want to talk to you about today. And then the second thing is, you had been doing for some time these higher ed data stories on your personal blog. Is that still going? Do you still post there?

Jon Boeckenstedt: It is. I've been doing a little less because with the new job, I'm a lot more busy and occupied with things than I have been in the past. So I haven't done as many, but I certainly will be bringing that up. And I'm actually starting a new blog here in my capacity as the VP at Oregon, which will be talking about things at the university and I'll be probably embedding a few things there as well. But those might be more specifically of interest to people within the state, especially high school counselors. So, yeah.

Justin Draeger: Well, we'll be looking forward to seeing that. I'm just curious, personal curiosity, on your blog, which we'll link to in the show notes, do you recall offhand, what was the most popular post that you ever did or maybe a few of the most popular?

Jon Boeckenstedt: I do, yeah. And it was kind of accidental. You know, I used a lot of different sources. Usually I like to download data directly from IPEDS, but occasionally, I go out on the Digest of Education Statistics and there was a database, or a spreadsheet really, of salaries of teachers by state over a long period of time. So I had just been getting comfortable with the mapping feature in Tableau. I thought that would be an interesting thing to look at, compare teacher salaries across states, and I put it out there and no big deal.

And suddenly, I think Valerie Strauss at *The Washington Post* picked it up and published it on, on WaPo and literally, within something like six hours, I had 32 thousand hits on it, you know, something really ridiculous. A good post will usually get two or maybe three thousand hits on it, and that's sometimes over the course of a week. So it's astonishing. And it's still by far and away the number one post. And people are still emailing me about it, telling me that it's not fair and they don't understand how CPI adjustments work. And what do you mean it was only \$10 thousand back in 1976. It was ridiculous.

Justin Draeger: Well, so there's that.

Jon Boeckenstedt: You have to be careful.

Justin Draeger: Yeah. Right. You'll be defending that into perpetuity as it keeps popping up on everyone's screen, I think.

Jon B.: Exactly. Yeah, I've actually thought about taking it down, but there are so many links out on the website, or out on the Internet, that I'd probably get just as many questions from people who want to know where it is.

Justin Draeger: Yeah, please don't break the internet, Jon.

Jon Boeckenstedt: Yeah, exactly.

Justin Draeger: All right. I think it was just about four weeks ago, and maybe one of the areas I'm most interested in getting your perspective on, where NACAC, our Association Colleagues for Admission Counseling, at their annual meeting, had to take a, what I think was, a pretty tough vote, but one that was based in reality in response to an investigation by the antitrust division with the US Department of Justice.

Justin Draeger: And if you, please check me here, but as I looked over the provisions in NACAC's Code of Ethical Principles, there were basically three things that I picked out that the Justice Department seemed to be focused on. One was that colleges

can't offer incentives exclusive to students applying or admitted under early decision. That is, no special offers for early decision.

Jon Boeckenstedt: That's right. Check one.

Justin Draeger: Another one here was that once students have committed themselves to a school that all other colleges are respecting that choice and they basically cease recruiting efforts.

Jon Boeckenstedt: Right. And that's no longer a provision.

Justin Draeger: Right. And then the third thing I pick up on here that the Justice Department was focused on was that colleges previously couldn't solicit transfer applications from a previous applicant pool unless the student had initiated it, or the school knew that they were no longer enrolled at that previous college.

Jon Boeckenstedt: That's right. Right, yep.

Justin Draeger: I guess my question is, I won't ask you to speculate on what the Department of Justice was doing, but they saw these as anticompetitive, and I'm just wondering a couple of things. Does this mean it's open season on students now that these provisions are gone?

Jon Boeckenstedt: Well, even within the admissions and high school counselor profession, there's a lot of confusion about what this all means. And the doomsayers are saying, "Oh, my gosh, it's the wild, wild West and things are going to be crazy. We're going to see increased and heightened competition." And other people are cautioning colleges to say, "Don't publicly make a stance about what you're going to do or not going to do," because that can be seen as signaling by the Justice Department that you're really colluding, but just using public forums to announce your intentions. I don't think it's going to change an awful lot for a couple reasons. Mostly because it's not affecting students very much. And mostly because, I think, once students make their decision, they're reasonably well set in it. And for those who aren't, maybe, just maybe, and this will be heresy in the admissions profession, it might not be bad for students to be able to keep their options open until later in the summer.

And I've asked probably 10 people affiliated with NACAC, how this all came about and why the Justice Department got interested, and literally no one, even people who I think would tell me if they knew, has any idea. But I think speculation is on two things. One is that some attorney at the Justice Department had a son or a daughter who applied early decision and wanted to break it and the counselor said, "Nope, we're not going to do that." The DOJ attorney said, "What do you mean there's a Code of Ethics? What's that?" Because, of course, lawyers don't know what that means. But the other one would be that somehow for-profit institutions feel like they'd like to join NACAC,

but can't limit themselves to those business practices because they're enrolling students right up until the day of class. So nobody really knows.

Justin Draeger: If I look at, like outside of higher education, antitrust suits brought by the Justice Department, they seem to always focus on anticompetitive and cost. And so if one of the ... let's focus on the first one for a second, anticompetitive. So this would mean, for some students, they might have more options. If these are the students that everybody wants, then they might be able to leverage up until the last moment schools against one another. But I'm wondering, one, do you agree with that? And two then, but what about this like other tier of students? They might not be the best academically, maybe they don't test the best, whatever the situation is. Do those students end up getting displaced because you have these competitive students that are jumping around to different schools?

Jon Boeckenstedt: Well, on the first question, really the students have always had the right to play colleges off against each other. Let's throw the 50 hyper-selective institutions in the nation out of the equation for a minute. Because if you go to them after May 1 and say, "I'm still interested in you," they're going to say, "Sorry, we're full. This is as many as we take. You're out of luck, find someplace else." And so Princeton is not going to change its behavior based on this ruling and the next 50 colleges down the food chain are probably not going to change either.

So let's take a look at somewhere, you know, the 150th best college in the country, for instance, whatever that might happen to be. They've probably always, for all intents and purposes, been willing to look at an application from a student after May 1, most colleges aren't full on May 1. And they're also probably willing to take a look at a student who said, "Oh, you know, I deposited somewhere else, but I'm really still interested in you. Can you do better on financial aid for me?" Or, you know, "Is there any option for me to enroll at your institution in the fall?" So the students have always had that right. They just didn't know about it and colleges couldn't tell them about that.

Justin Draeger: In your scenario, you're saying that this doesn't really change the practice of students being able to at least attempt, and at some schools it might be successful, in others, it wouldn't, to play schools off one another up until orientation or first day of classes? That always existed.

Jon Boeckenstedt: There's never been any limitation on students from either, what we used to call, the Statement of Principles of Good Practice, SPGP, which is now the CEPP.

Justin Draeger: So if I'm a school though, let's say, I get into June or July and I haven't made up my class just yet, I haven't met my numbers. Now, whereas if a student had already committed by May 1 to XYZ university, if I haven't made up my class, there's nothing that prohibits me from social media marketing, or in any way, aggressively still pursuing those students today. Previously though, they wouldn't have been able to go after committed students. Right?

Jon Boeckenstedt: That's correct. And so, there was a difference in the old SPGP and the new CEPP. In the old Statement of Principles of Good Practice, you couldn't recruit students who have actively said, "I'm going somewhere else." But we know, if you've worked in admissions, that probably 60% of the students that don't enroll never tell you they're not coming. You just sort of figure out they're not coming. And so those students who had not deposited with you and had not told you that they were out of the running or had deposited somewhere else, you could always recruit them and drop a little casual email or a letter saying, "Hey, if you haven't made your final decision yet, let us know what's going on, and maybe we can help." Under the CEPP, which was revised a couple years ago, even that wasn't permitted. You could not go out to any student who had applied and not deposited by May 1 with any sort of subtle suggestion or hint that you're still willing to consider their application.

So that was different under those two. You always, of course, could go back to your search list of names and do a big mailing because the vast majority of those students never applied and say, "If you're still looking, give us a shout. Let us know what's going on." Now, even if a student says, "Thanks for your offer of admission, I've decided to attend college X somewhere out of state, somewhere else," now you can, in fact, go after that student and say, "Oh, would \$10 thousand more in financial aid ...," or, "Would a foreign study opportunity ...," or preferred housing, or something along those lines, "Would that be something to make the deal work for you?" We can do that now, whether for better or for worse.

Justin Draeger: I wonder if we try to answer that last question. So from a school's perspective, for a student who, everybody wants, for whatever reasons, that might be a good thing because you might end up with a better deal. But it sounds like you're postulating, based on something you said earlier, that for most students, traditional students, they've selected a school, they're going to that school and then they're sort of locked in and everything else just becomes noise. Like I'm thinking about moving to that school. I'm thinking about move-in day and orientation. They're not thinking about up to the last minute, "How do I ...?"

Jon Boeckenstedt: Right.

Justin Draeger: Yeah.

Jon Boeckenstedt: Yeah.

Justin Draeger: Yeah, go ahead.

Jon Boeckenstedt: I think the vast majority of students are really happy to have that decision made and to be in the fold of college X, Y or Z. But let's say hypothetically, you had four institutions, and all were within \$1,000 or \$15,000 of each other, and you made your decision for college A and then college B comes back and says, "Well, we have \$15,000 a year more scholarship money for you." My guess is that's

going to cause some people, and some parents especially, to take a look at that institution. You know, for some parents it will be this symbol, or a signal, that the institution is desperate for students, which, of course, can be the death knell for any college university, but others are going to say, "This place has a great reputation. We were happy with it as a possible institution six months ago and now we can get it for \$15,000 less, so we're going to do this."

And I think that happened. And, in fact, it happened in the Midwest last summer when colleges knew that there was no enforceability while the DOJ was investigating, there was no enforceability on the CEPP. And some of them did, in fact, go out with big offers, some as many as \$20,000 more in scholarship money because they were short on their class, and they needed to make that at any cost. And at that point, discounting is a very different idea. When you're doing it in February and you don't know how many students are going to accept your offer, you're really strongly incentivized to keep your discount rate, or your potential discount rate or your potential amount of aid low. But once that plane is taking off and you see you have empty seats, it makes a lot of sense to say, "We have 15 spots and we'd be better off taking \$10,000 for every one of them as opposed to 40, because that's \$150,000 in revenue we won't get."

Justin Draeger: All right. I want to start with a student question, then go back to the institution. Should a student, do you foresee or is this just too out there, but do you foresee a scenario where students and families are accepting, for lack of a more sophisticated term, their backup school in hopes that as the time crunch rolls on that they might be able to leverage their number one choice into a better position?

Jon Boeckenstedt: You know, there are people that will take a bet and go over the Niagara Falls in a barrel. So yes, it will absolutely happen. And there are people that are willing to play that game and probably people that are willing to settle for that backup school if nothing else works out. So I think that's entirely likely. I think it's possible. I think it's very likely in fact, that it will happen. Is it going to be widespread? I don't know. I guess it depends on how desperate parents and students are to save a little money or get a better deal. And, who isn't?

On one of my blog posts, I wrote about when I used to come into Union Station in Chicago, I would see lawyers in \$2,000 suits who would line up for a free breakfast cookie, that Quaker Oats was handing out as samples. And they probably wouldn't spend one cent for it, but something about that offer just makes it too attractive to turn down.

Justin Draeger: Right. Well, that's a great example. All right. So let me take this from an institution standpoint. At a certain tier of institution is the likelihood that they could start classes thinking they have this class, classes start and, "Oh my God, we have this class," which, you know, people just not showing up because, as you said, students might've committed elsewhere, but that doesn't necessarily mean they've notified anyone or done anything to signal that they're no longer coming.

Jon Boeckenstedt: Yeah. You know, that happens everywhere, every year anyway, but I think it's going to become a bigger problem as we go deeper into this process. So, sure. And some of us have talked about establishing a deposit clearinghouse for students, which I think, if you can't stop the bleed from happening and you're not going to be seeking your own transfusions, it would at least be nice to know whether those ... you know, control the damage ahead of time. Because you do, if you're at a small college, 50 students, or 25 students means you need a lot fewer sections of class X, Y, or Z. And you don't need to hire contingent faculty, or you can reallocate the faculty that you've already assigned to those positions. And if you're a big institution, that might be 100 students and that's entirely feasible and possible. We just don't know.

Justin Draeger: How does a school then, in this environment, how in the world do they ... you know, when we had a May 1 commitment date, recognizing that there's always been some ebbs and flows after May 1, but that at least provided a cushion for schools to do some budgeting or ratchet up the offers. How does a school do that knowing that there's, potentially, no longer this cushion that you could conceivably get into summer and have to be making some drastic changes in your enrollment management model?

Jon Boeckenstedt: Well, we don't know what the future is going to hold, frankly, and trying to plan for it is going to be a heck of a lot of fun next summer. It's not like we're going to end up 50 students shorter than we anticipate even after melt because we're completely unaware of it. It's more than likely that if your biggest competitor especially is doing something like that, they will come back and say, "Well, we have \$10,000 for you." And the student's saying, "Oh, I committed to Oregon State," for instance, is going to come back to us and say, "Can you do \$12,000 better?" And then the big question is going to be, do you match that, or do you let that student walk?

Justin Draeger: Would you ask the student, would you ask them outright, where else? Where are you getting that offer? Which school?

Jon Boeckenstedt: Oh, I think it's perfectly within the rights of a college or university to do that. Yep.

Justin Draeger: All right. So let me go back to the very first thing we talked about, which was, we talked about the competitiveness side, but let's talk about the cost side. So often the antitrust division goes after what they would conclude as a collusion because it artificially stabilizes or increases prices. So by getting rid of these things in the Justice Department's eyes, they're increasing competition and, I guess, potentially they think driving down costs. So I want to tackle this from two sides. One is, for some students, if they can get better aid offers or packages for them, they might get a better deal. What about the majority of students? Does this make any difference, or anything at all?

Jon Boeckenstedt: Well, I think the people who are most aggressive in pursuing the best price are likely to be rewarded by this process.

Justin Draeger: For the large majority of students that are attending a school that's in a 60-mile radius of their home or going to an open access institution up the street, this makes really no difference to them.

Jon Boeckenstedt: Right. And I think it also varies dramatically with the sophistication of the parents. And I don't mean sophistication, sophistication. I mean how savvy are they? Have they been through this process before? Do they have college degrees themselves? Are they people who read *Forbes* and know about the system, or are they complete neophytes and they're going about this the first time? It's like someone who, I hate this comparison, but someone who shops for cars all the time knows how to get a better price than someone who does it once every three years or four years. And I think more sophisticated, college educated, wealthier parents are likely to be more on top of this game. And I would anticipate that there are going to be price consultants cropping up who are going to say, "I'll take 15% of whatever I save you off of your best offer. Let me negotiate this price for you."

Justin Draeger: Yeah. And you put the fine point right at the end there which is, this bite absolutely helps some students, but most likely, it'll be the students with the most resources and means to navigate a complicated system.

Jon Boeckenstedt:: Well, you know, I thought a lot about the admissions and the financial aid process and every good idea, or every idea I think is good that I have, immediately turns into something, "Well, you know how wealthy people are going to game the system," and the people with the advantages. And the people with access to the best counselors and the best prep schools are going to say, "Let me tell you the inside secret about how to do this." So yeah, it's unfortunate.

Justin Draeger: It is unfortunate. On the financial aid side, we think a lot about this because the more simple you make a need analysis, the more opportunity there is for gaming. On the other hand, the simpler we make a need analysis, theoretically the more people we can get through that analysis without providing an application barrier. So you're willing to trade off some gaming in exchange for that access piece.

Justin Draeger: All right. Let me ask one other question about cost which is, given, perhaps, the squishiness of the classes that some schools might have with this change from NACAC, do you think there'll be any change in the deposit fees? Like will they offset potential losses with deposits?

Jon Boeckenstedt: Sure. One of the biggest things high school counselors seem to be confused about is early decision. And they seem completely befuddled about how early decision can still exist in the eyes of the DOJ when the regular May 1 cut off all communication stuff isn't. And I pointed out that I don't think the DOJ has any problem with people entering into contracts or agreements as long as they both do so knowingly. And early decision is something where you get some benefit

and you give up some rights in the process. And I think DOJ probably says that's fine.

The problem with the CEPP or the SPGP was that students never consented to it. No student ever goes in and say, "Yes, I agree that May 1, I don't want to hear from any other colleges. And please don't offer me any more money on May 15 because I can't take it." And the real fact is ED has never been legally enforceable anyway. It's the sort of gentle person's agreement between and among colleges and high schools with a wink, wink and a nudge nudge. But my guess would be, given that early decision especially tends to be wealthier, more privileged students that, you know, if I were Princeton I would say, "Yes, you've been admitted ED, and your first year's non-refundable tuition is due in three weeks."

Justin Draeger: Wow.

Jon Boeckenstedt: No, after aid, after aid, of course.

Justin Draeger: But you've hedged all bets at that point.

Jon Boeckenstedt: Yeah, I think so. I think if the market pushes on you, you're going to push back doubly hard. So I would see it happening.

Justin Draeger: The one provision I don't think we spent a lot of time on is this early decision incentive that schools can now offer. And I'm wondering, do you think we'll just see a blossoming of, "Hey, get in early and we're going to give you this package of incentives to do so."

Jon Boeckenstedt: I think the number and the type of institutions that can really effectively do early decision is pretty limited. It's the people at the top of the food chain currently. There may be a few borderline colleges who are jumping on and there already have been some examples of colleges offering incentives. But in reality, I don't see that the incentive that a college is going to offer, unless it's substantial financial aid, is going to make any difference in the minds of students. And when I say it won't make any difference, of course, with one or two or three students here or there, it probably will, but there'll be noise in the system, and we can't process that. We can't figure it out. But for instance, High Point University came out as saying, "You'll get your first choice of residence hall," and I can't remember what some of the other things were.

Justin Draeger: Yeah, like schedule. I think it was like scheduling classes. It felt like they were creating this sense of urgency. You mentioned car buying. I read through their list. It felt to me like, "If you don't do this, you probably won't get into the courses you want," when in reality, c'mon.

Jon Boeckenstedt: Yeah. And Reed has just done something with housing preferences as well. And so, you know, I moderate a Facebook group of about 16 thousand college and

high school people who are professionally connected to admissions. And some people chimed in and said, "Well, you know, we've always sort of just taken tuition deposits in the order we receive them to assign housing. So that's not really a new thing. It's now, you can just say it publicly." So the net effect on students is probably not much, but is it like one of those coupons you get in the mail where you get a buy one, get one free entree and in fact they hand them out at the restaurant, everybody gets them. So who knows. I mean, there's a lot of bait and switch and a lot of discussion about what it all means, and it will play out differently at every college and with every student in the country.

Justin Draeger: Is there anything around this topic, Jon, that we haven't discussed that you think is important to bring up for aid folks or people on campus that they should be thinking about that they're not currently?

Jon Boeckenstedt: Well, I think the time is coming when we need to think very differently about how admissions is done in this country and especially in light of price escalation, which is driving a lot of this craziness. I mean college is getting more expensive and fewer people can afford it and so they begin acting in ways that are unpredictable and certainly unprecedented. And so how can we change the way students find out, apply to get admitted to and pay for college?

And there's only a couple of ways it's going to happen. One is if the people at the top of the food chain start thinking differently about how college admissions works. One is if the federal government intervenes and says this is something of national importance that we need to put some resources to, and if you're going to get Title IV funding for your institution, you're going to participate in it. And I think that would be a big step forward.

Justin Draeger: That sounds like a perfect teaser for another podcast episode. And so if this wasn't terribly painful for you, maybe we can check in with you in a couple months and just see how things are shaking out and maybe get into a little bit more about proactively how do we tackle this big picture?

Jon Boeckenstedt: Yeah, I've been thinking about it a lot. There's also initiative, you can look on Twitter, called Hack the Gates, and they're beginning some of these discussions. In fact, there's a summit in DC, I think, sometime this month. I don't remember exactly. I couldn't attend unfortunately because of scheduling conflicts, but if people are interested, I encourage them to follow that account and start thinking about how things are going to change in the future.

Justin Draeger: We really appreciate your time, Jon. This has been really enlightening and keep up the great work. Keep thinking and speaking out, and we'll talk to you again soon.

Jon Boeckenstedt: It's my pleasure to talk to you. Thanks.

Justin Draeger:

All right, thanks everybody for listening. Remember to subscribe. We will be back again after Thanksgiving.