



ENVIRONMENTAL SCANNING REPORT APRIL 2009

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INTRODUCTION

Environmental scanning is a necessary precursor to any strategic plan and has been a key element in SWIC's current planning system. The scanning process and the product it produces accomplish two important tasks:

- Environmental scanning “tests” the College’s strategic priorities and strategic goals. When important developments occur and other vital changes are recognized, SWIC’s overall strategy must also change if it is to achieve its mission. The annual Environmental Scanning Report documents these changes and is used by the Strategic Planning Council to amend the institution’s stated priorities and goals.
- Trustees and administration receive a virtual onslaught of information about the College and its response to the changing needs of our communities. The Environmental Scanning Report attempts to filter out what is important, put it in perspective, and provide information that is essential for sound decision-making. The Report is a “tool” that trustees and staff can use throughout the year to consider how the College can best accomplish its mission.

This environmental scan for April 2009 develops its information over a number of chapters and emphases and begins with a discussion on enrollment. Enrollment is a key measurement for institutional finances as well as an indication of the extent to which SWIC serves its communities. The Report goes on to document and analyze five additional areas of concern to SWIC and to its planning efforts:

- A) Assessment of Enrollment
- B) District 522 demography, the changes in our population and its needs
- C) Assessment of SWIC’s revenues and how trends may impact our plans
- D) Analysis of local economic conditions and how this affects the College
- E) Trends in higher education and their relationship to local developments
- F) Developments in SWIC’s community outreach and partnerships

Finally, the Report summarizes important findings and trends, and attempts to develop broad conclusions that are intended for use in planning and decision-making.

The environmental scanning process involves a collaborative effort by several divisions and incorporates insight from the president’s staff. The final product is then reviewed by the Strategic Planning Council whose members add further value and perspective. Then the Report is recommended to the Board’s Planning and Policy Committee for adoption and transmission to the Board of Trustees for their consideration and reference.

A. ASSESSMENT OF ENROLLMENT

1. SWIC Enrollment History

The committee finds that the overall semester credit hour enrollment trends demonstrate consistent growth with a slight “stall” noted for FY 2007. **Enrollment continued its positive growth pattern in FY 08 and it is projected that a new record enrollment high is being established in FY 09 at the 248,000 semester credit hour level.** Enrollment production for the last ten years is summarized below:

<u>Year</u>	<u>Semester Credit Hours</u>	<u>% Increase Over Prior Year</u>	<u>Cumulative Increase</u>
FY 99	205,569	+ .5%	+ .5%
FY 00	211,838	+ 3.0%	+ 3.56%
FY 01	212,350	+ .2%	+ 3.82%
FY 02	225,842	+ 6.4%	+ 10.41%
FY 03	231,017	+ 2.3%	+ 12.94%
FY 04	242,796	+ 5.1%	+ 18.7%
FY 05	243,573	+ .3%	+ 19.1%
FY 06	246,240	+ 1.1%	+ 20.4%
FY 07	243,251	-1.2%	+18.9%
FY 08	245,434	+0.9%	+19.4%
FY 09	248,000	+1.09%	+20.6%

Although SWIC’s enrollment has increased for ten of the last 11 fiscal years, the most recent trends indicate that this growth is leveling. As originally stated in our April 2007 Report, it is the continuing opinion of the scanning committee that instructional capacity, in terms of available classrooms/labs and availability of qualified adjunct/part-time faculty has a direct relationship to enrollment. The renovation of the modular units in 2008 allowed the college to maintain its existing classroom capacity on the Belleville campus and this allowed for an enrollment increase.

As enrollment has increased, the additional class sections scheduled in response to student demand had been previously staffed almost entirely with adjunct/part-time instructors. The institution’s facilities, particularly at Belleville and Granite City during prime time class sessions, continue to be maxed out. The college personnel responsible for assigning instructors to teach our classes are now finding it ever more difficult to recruit qualified and competent adjunct/part-time faculty. In short, the supply of qualified adjunct/part-time faculty is becoming progressively less adequate to meet the rising demand, and this situation has been exacerbated in recent semesters by the volatility in fuel prices. Much more significant in the long run, the Enhanced Faculty Staffing Plan will increase the number of full-time faculty at the College by 38 new positions over a six-year period (from 2005-2006 through 2011-2012). To date, 24 of these new full-time faculty have been appointed, two positions are in the recruitment/selection process and the Personnel, Programs and Services Committee has authorized the administration to begin recruitment efforts to fill an additional 12 positions. It is expected that positive impacts from the new staffing plan in terms of instructional quality and enrollment growth will become increasingly apparent.

2. Community College Enrollments in Illinois

In February 2009, the ICCB announced preliminary FTE enrollments for spring 2009. Statewide, 25 community college districts reported increases of greater than 2% while 14 districts either experienced declines or flat enrollment increases. When comparing FY 2009 enrollments with FY 2008 data, the Illinois community colleges averaged a 4.2% increase in FTE enrollment. SWIC was up 2.4% in that report. SWIC's FTE enrollment accounts for 3.8% of the total ICCB enrollment, representing an all-time high for this indicator which is SWIC's share of the statewide enrollment.

3. SWIC's Enrollment of District High School Graduates

Two key numbers contribute to SWIC's overall enrollment: the number of high school graduates each year and SWIC's "market share" of that graduating class. The high school class of 2008 was the second largest ever. In addition, SWIC has been recently achieving a 26% market share of the graduating class-although 2007 showed a slight dip.

<u>High School Class of</u>	<u>Number of District 522 Graduating Seniors</u>	<u>SWIC's Market Share of District H.S. Grads</u>
2008	5,023	26.0%
2007	4,788	24.8%
2006	5,593	26.3%
2005	4,776	26.2%
2004	4,784	26.2%
2003	4,850	24.9%
2002	4,620	23.2%
2001	4,332	24.0%
2000	4,658	23.8%

The table below captures the fall 2008 market share that SWIC has for each of the high schools in District 522:

High School	Total 2008 Graduates	# Attending SWIC In Fall 2008	% High School Grads Attending SWIC	Credit Hours Enrolled
Althoff	157	24	15.3%	312.5
Belleville District 201	1132	308	27.2%	3684.5
Cahokia	224	49	21.9%	542.0
Chester	73	21	28.8%	260.0
Collinsville	437	108	24.7%	1302.5
Columbia	140	34	24.3%	423.5
Coulterville	17	1	5.9%	13.0
Dupo	64	13	20.3%	177.0
Freeburg	194	78	40.2%	1085.0
Gibault	64	11	17.2%	163.0
Granite City	467	123	26.3%	1533.5
Highland	267	55	20.6%	668.0
Lebanon	40	9	22.5%	114.0
Madison	48	5	10.4%	60.0
Marissa	44	16	36.4%	216.0
Mascoutah	200	65	32.5%	848.5
New Athens	51	11	21.6%	158.0
O'Fallon	581	153	26.3%	1751.0
Okawville	40	6	15.0%	88.0
Red Bud	120	41	35.2%	537.0
Sparta	90	19	21.1%	254.0
Steeleville	29	10	35.5%	144.0
Triad	298	80	26.8%	1049.0
Valmeyer	34	8	23.5%	124.0
Waterloo	212	60	28.3%	805.0
Totals	5,023	1,308	26.0%	16313.0

As part of the Environmental Scanning effort, the SWIC Admissions Department surveys all high schools within District 522. The data that follows reveals that SWIC will see a record high number of local high school graduates in 2010 with a slight decrease in both 2011 and 2012.

Spring of Year	District 522 Graduating Seniors	# Increase Over Prior Year	% Increase Over Prior Year
2005	4,776	NA	NA
2006	5,593	+817	+ 17%
2007	4,788	(-805)	(-14.4%)
2008	5,023	+235	+14.9%%
2009	5,832	+809	+16.1%
2010	6,550	+718	+12.3%
2011	6,268	(-282)	(-4.3%)
2012	6,154	(-114)	(-1.8%)

4. U.S. Higher Education Enrollments

The following is a summary of the data pertinent to SWIC as published in the latest report from the USDE projecting enrollment through 2016.

Enrollment increases for all of U.S. higher ed. 1990-2004 (SWIC enrollment increases 1990-2004)	Up 25% (Up 27.8%)
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2005-2016 Higher Ed

Projected enrollment increases for all of higher ed.	Up 17%
Projected enrollment growth for students 18 to 24	Up 15%
Projected increase in full-time students for all of higher ed.	Up 23%
Projected increase in Associate degrees to be awarded	Up 9%

Public Elementary / Secondary Enrollments

Enrollment increases between 1991 and 2004	Up 15%
Projected increases between 2004 and 2016	Up 9%
Increase in H.S. graduates between 1992 and 2004	Up 24%
Projected increase in H.S. graduates 2004 to 2017	Up 5%

This national data from the Education Department suggests that the norm for community colleges should be annual growth in enrollments of 1% to 1.5%. This is consistent with SWIC's long-term enrollment trend.

5. Assessment of SWIC Enrollment by Attendance, Site and Time of Day

During FY 2007, college staff assembled and analyzed data for Peckham, Guyton, Albers & Viets, Inc. (PGAV) to utilize in their Analysis of District Demographics and Enrollment Trends. The summary assessment provided to PGAV follows:

District-wide, unduplicated headcounts have increased an average of 2.3% per annum in the last ten years.

The per annum increase noted for full-time students (3.8%) is over twice the increase for part-time students (1.7%)

Each campus grew its headcount, but the patterns are different for each location (part and full-time headcount percentages do not combine to yield the overall percentage because of the weighting factor).

- Belleville has 59.6% of the district's enrollment; its average per-annum growth in full-time students is 3.6%; part-time student headcount declined by 0.1%, overall annual growth was 1.3%.
- Granite City has 18.8% of the district's enrollment; in per-annum averages, it grew full-time students by 6.1% with part-times down by 1.2%; there was an average annual gain of 0.8%.
- Red Bud has 5.1% of the district's enrollment; it increased its full-time students by 8.1% and part-time by 0.6%; it averaged 2.5% per-annum growth overall.

Other attendance sites show mixed trends.

- Extension centers (12.2% of enrollment) experienced per-annum declines averaging 2.2-2.4% for both full and part-time students.
- Scott Air Force Base (SAFB) with 1.8% of enrollment increased its part-time by 3.0% and its full-time by 4.3% to achieve an overall annual increase of 3.0%.
- East St. Louis Community College Center (ESLCCC) has 4.6% of the district enrollment. Since 2001, full-time student headcounts grew by 8.2% per annum, part-time by 0.9%, and overall by 1.9%.

Time-of-day enrollment patterns may indicate certain shifts in students' desired access times across the system.

- Belleville shows increases in day, evening, and weekend enrollments.
- Evening enrollments were up by 3.2% per annum with days at 2.1% and weekends at 4.0%. The increase in daytime enrollment is constrained by the lack of additional instructional space.
- Granite City shows a shift toward day enrollments (3.6%) as opposed to a 0.5% increase for evenings. Weekends were up by 2.3%.
- Red Bud's growth focused on day enrollments (9.2%) with evenings also growing by 4.4%. Weekends declined by 1.2% per annum.
- Other attendance sites also noted stronger growth in day enrollments (attributable to dual credit). At ESLCCC, day enrollments increased by 5.8% while evenings declined by 3.1%.

Observations

The Full-Time Student

SWIC is experiencing a re-emergence of the traditional, full-time student.

This is seen both in enrollment status data and in student demographic data. The trend is progressive and probably impacts the Belleville Campus most dramatically because of physical capacity issues. The physical infrastructure needs of full-time students are typically seen as being much higher than for those of part-time students. For example, since full-time students spend considerably more time on campus, demand for and utilization of study, student development, and activity space (congregate study areas, learning resources, athletics, organized activities and organizations) is much greater than for the more episodic needs of part-time students.

The Shift to Daytime Classes

Enrollment trends indicate a clear shift towards daytime classes. This is wholly consistent with the needs of students who are both full-time and of a more traditional college age. Since Belleville Campus classroom capacity is “maxed out” during the critical 9:00 a.m. to 1:00 p.m. time slot, it is very probable that this trend has been thwarted at that location.

Enrollment as a Function of Capacity

SWIC’s real enrollment growth since 1996 has occurred at its three campus locations and at the state-owned ESLCC. For Granite City the campus “grew into” its existing infrastructure, and in Red Bud the large expansion in 2000 is easily handling the additional students and has capacity for new programs and additional enrollment growth.

At Belleville, the dynamic is different. The opening of the Information Sciences Building in 2000, the Liberal Arts Building in 2008 and the renovation of space in the Main Complex clearly enabled the campus to accommodate increased enrollment. However, there is pervasive belief and some evidence suggesting that student demand for classroom space quickly matched and exceeded the capacity that was created-and that potential students and enrollments are being lost by the College.

A study of room assignments by time-of-day illustrates the capacity needs at Belleville versus the other two campuses. The percentages express the quantity of classrooms and labs occupied by students during the hours of 8:00 a.m. through the 7:00 p.m. time period.

This analysis documents that a significant number of Belleville Campus periods exceed 80% of theoretical capacity. Since labs and dedicated classrooms cannot be assigned to general classroom usage, actual utilization approaches and hits 100% during the 9:00 a.m.-2:00 p.m. slot and again during the 6:00 p.m.-9:00 p.m. period.

Concerns for Strategic Attention

The College has long planned to conduct asbestos abatement activities at the Belleville Campus. This will effectively remove five to ten classrooms from SWIC's enrollment capacity during the period of the project. While the Instructional Division has developed contingency plans for the classes normally scheduled in the area to be idled, the construction activities will still cause a loss of capacity that will negatively impact enrollment.

Given the well-documented relationship between instructional space availability and SWIC's enrollment, the need to take some of the classrooms off-line poses an imminent threat to the College's ability to maintain and expand its headcount and credit-hour generation.

6. SWIC's Enrollment: A National Ranking

Southwestern Illinois College ranks in the top four percent of two-year colleges nationwide for associate degrees awarded, according to a July 16, 2007 *Community College Week* magazine analysis of U.S. Department of Education statistics.

In the 2005-2006 academic year, SWIC awarded 1,412 associate degrees. That ranks SWIC at 63rd out of 1,706 accredited U.S. two-year colleges. In Illinois, only the College of DuPage awarded more associate degrees than SWIC. No college in Missouri made the top 100 list.

The number of associate degrees awarded in the United States increased by 2.5% over the previous school year, according to *Community College Week*. While this is in keeping with the overall growth of the last decade, it is a slight slowing of growth over the past three years, the publication reported.

Typically, community colleges are ranked by enrollment: either by unduplicated headcount or by Full-Time Equivalency (FTE). Ranking by the number of associate degrees awarded is a step toward rankings by outcomes (accountability).

In terms of neighboring institutions offering associate degrees and certificates, SWIC is clearly the largest producer. (Source: RCGA January 2008)

Two-Year Schools School Name	Total Enrollment	Full- Time	Part- Time	Total No. Degrees & Certificates Awarded	Certificates	Associate
Beck Area Career Center – Red Bud	48	48	N/A	94	94	0
Kaskaskia College	4,764	1,906	2,858	1,078	558	520
Lewis & Clark Community College	7,512	2,254	5,258	883	309	574
Sanford-Brown College – Collinsville	493	493	N/A	313	313	0
Southwestern Illinois College	14,479	5,357	9,122	3,213	1,801	1,412
Totals	27,296	10,058	17,238	5,581	3,075	2,506

7. Student Retention at SWIC

The retention and academic success of existing students is perhaps more important than the continual recruitment of new students. SWIC has recently been focusing more resources on retention as a strategic initiative.

In 2005 the Enrollment Management Committee Retention Team developed a report designed to capture fall-to-fall and fall-to-spring retention rates for first time, degree seeking students. Listed below are the retention rates for students enrolled in 12 credit hours or more and for students enrolled in 6 credit hours or more.

Retention at Southwestern Illinois College						
Cohort		Number of students in Cohort	Number retained Fall to Spring	% Retained Fall to Spring	Number retained Fall to Fall	% Retained Fall to Fall
FALL 2003	12 credit hours or more	1,595	1,315	82.45%	959	60.13%
FALL 2003	6 Credit hours or more	2,152	1,673	77.74%	1,186	55.11%
FALL 2004	12 credit hours or more	1,605	1,274	79.38%	947	59%
FALL 2004	6 Credit hours or more	2,159	1,629	75.45%	1,175	54.42%
FALL 2005	12 credit hours or more	1,590	1,292	81.25%	907	57.04%
FALL 2005	6 Credit hours or more	2,187	1,684	77%	1,163	53.17%
FALL 2006	12 credit hours or more	1,532	1,225	79.96%	894	58.35%
FALL 2006	6 Credit hours or more	2,078	1,574	75.74%	1,125	54.13%

According to the *ACT 2008 Retention/Completion Summary Tables*, the national average for **fall-to-fall** retention of first-time, full-time students at two year public colleges is **53.7%**. During the period of fall 2003 through Fall 2006 SWIC averaged a retention rate of 56.4%. **For those students enrolled in 12 or more credit hours the retention rate was higher at 58.6%. It appears that SWIC's efforts are succeeding.**

Robust Retention Efforts

AQIP Action Project 6, Improving Student Retention, was a college-wide initiative to review current and to develop new strategies to enhance student retention. Recommendations included the establishment of learning communities as an alternative course delivery system, modifications to late enrollment policy, and the

development of two college-wide committees: College-Student Communication Committee and a Retention Committee.

In addition, SWIC has extensive retention programs in place including but not limited to:

- Success Centers at each campus and the ESLCCC
- Project Success – Early Warning System
- Online Writing Lab (OWL)
- Mission success – COMPASS placement assessment and individual counseling
- Legacy Program
- Student Support Services at SWGCC
- RISE program for Basic Reading Students
- PALS Program
- Minority Transfer and Multicultural Student Services Center
- Counseling Center workshops
- Special Services Center
- Career Center – mentoring, job shadowing, internships, job applications, etc.
- Financial Aid Office
- SWIC Know Student Orientation (on-going sessions)
- Foundation Scholarship programs
- Illinois College and Career Readiness Project

Early Warning System

SWIC developed and began piloting a web-based Early Alert System in 2000. Since that time the program has grown substantially with 650-800 referrals each semester. The Project Success Early Alert System is a computerized, web-based program that allows faculty members to identify students who are at risk of failure in their classes. The Assistant Director of Success Programs coordinates the program. The Success Centers collaborate with the Counseling Center to offer services to students identified as needing additional academic assistance. Counselors assist Success Center staff from the 3rd to the 8th week of the fall and spring semesters responding to faculty concerns by calling students, meeting with students individually, and identifying support services and strategies. Most students are given assistance with time management and study skills, as well as being introduced to tutors in the Success Centers. Students also receive a Success Center day planner.

The results of the Project Success EAS program have been excellent. The at-risk students who are referred to the program and come in for interventions are consistently more successful in their classes and are retained at a higher rate (10 percentage points) than the students who are referred and choose not to access assistance. On average, **41% of the students referred come to the Success Center** for an individual intervention; of those students, **about 39% successfully complete the class compared to 23% of the students who choose not to participate.**

Cumulative Outcomes Early Alert System Program – Belleville Campus Spring 2002 through Spring 2007 Semesters		
Number of Students Referred		7038 (7145-107DR)
	Students Who Received Intervention N = 2891 (41%)	Students Who Received NO Intervention N = 4149 (58%)
Successfully Completed Class	1131 (39%)	955 (23%)
Retained 1 Semester	1955 (67%)	2392 (57%)
Retained 2 Semesters	1566 (54%)	1768 (42%)

Success Centers, located at each of the three SWIC campuses and at the ESLCCC, offer tutoring and other academic support programs for students who seek help.

Success Centers Usage Fall 2007			
	Number of Students	All Services	Tutoring
Belleville Campus	2,735	21,685	7,379
Sam Wolf Granite City	823	6,341	1,717
Red Bud Campus	151	514	10
East St. Louis Community College Center	226	2,717	908
TOTAL	3,935	31,437	10,014

Specialists – work 20-30 hours per week in the Success Centers. They are experts in their fields and bring many years of experience to the Success Centers. In addition to their duties in the Success Centers, most are adjunct faculty. Each acts as a liaison to their respective departments, attending faculty orientation activities and participating in relevant committees, as necessary.

LACE Assistants are adjunct faculty members who work 2-10 hours per week in the Success Centers tutoring students in their area of expertise. They are hired by their respective departments.

Peer Tutors have an excellent academic record, a faculty recommendation, and attend an initial six - hour tutor training program. They are eligible to be certified as CRLA (College Reading and Learning Association) tutors.

The following chart reflects the number and type of tutors available at each campus.

TUTORS Fall 2008			
Location	Specialists	LACE Assistants	Peer Tutors
Belleville Campus	6	2	31
Sam Wolf Granite City Campus	2	2	9
Red Bud Campus	0	2	4
East St. Louis CCC	3	1	0

At the Belleville Campus, on average **67% of the students who participate in tutoring successfully complete the class for which they receive tutoring and 80% enroll in classes the next semester.** At ESL, 64% of the students pass the class or classes for which they receive tutoring and 79% are retained to the next semester. These are considered to be excellent retention rates given the national mean of 54%.

B. DISTRICT 522 DEMOGRAPHIC DATA

1. PGAV Assessment of District Demographic and Enrollment Totals

In February 2007 PGAV delivered its 22-page report to the Board's Facilities and Finance Committee. This report's Summary and Findings were as follows:

The college district is currently well-served geographically by the existing three main campuses.

- A very large majority of district residents reside within a 30-minute drive of one or more of the campuses.
- The population of the district grew by 4.1% between the years of 1990 and 2000 and then increased another 4.5% between 2000 and 2005.
- It is anticipated that the population will increase another 4% between 2005 and 2010 and then may potentially increase between 8% and 19% between 2010 and 2020. The 2020 district population is projected by PGAV to be between 450,000 and 495,000.
- This growth will primarily occur in three growth corridors:
 - I-55/70 east and northeast from Collinsville through Troy and Highland
 - I-64 east and southeast from Fairview Heights through O'Fallon and Shiloh toward Mascoutah and Lebanon
 - Illinois Route 3 southeast from Columbia through Waterloo
- However, PGAV does not project that this future population growth will lead to dramatic SWIC enrollment growth.
- "People who buy homes typically do not have children in the 18-25 year-old age group." "The future student age population that will be attending SWIC by the year 2020 already resides within the District."
- PGAV predicts a "conservative growth" in SWIC enrollment of 30% from a headcount enrollment of 16,500 in 2005 to 21,495 in 2020 and an "aggressive growth" of 39% from 16,500 in 2005 to 22,995 in 2020. ***This is annual enrollment growth in the range of 2% to 2.6%. Note that actual enrollment grew by .9% in FY08 and by a projected 1% in FY 09.***
- Enrollment at the Red Bud Campus will remain steady while the Belleville and Sam Wolf Granite City Campuses will experience the growth along with online course enrollments. Extension Center enrollments will likely decline unless the dual credit program continues to grow.

2. Population Projections

In June 2007, the U.S. Census Bureau released its latest report on population projections and the *Belleville News-Democrat* reported on the data in a June 29, 2007 article.

- The metro-east continues to grow at a rapid pace, according to the latest Census Bureau estimates, and the reason is simple: an influx of new residents coming across the Mississippi River from Missouri.
- That's according to John Posey of the East-West Gateway Council of Governments, which tracks growth and migration patterns in the St. Louis region. In Illinois, people are finding ample space, affordable housing, good schools and highways to allow them to commute to their jobs in the city.
- The hottest growth areas continue to be Edwardsville-Glen Carbon, O'Fallon-Shiloh and Columbia-Waterloo with Maryville, Mascoutah and Smithton showing significant gains as well.
- The city with the largest percentage of population growth from 2000 through July 2006 is Maryville. This community on Interstate 70 increased from 4,651 to 6,909 people-a 48.5 % jump.

The inter-related negative economic developments which occurred in 2008 have clearly had an impact on population growth:

- The sub-prime mortgage crisis led to much higher loan default rates;
- The loans available from commercial lenders ground to a halt;
- The capital available to developers severely contracted;
- As the general economy sunk into a deeper recession the unemployment rate rose;
- As joblessness spread the level of housing sales dropped;

The overall net impact has seen a halt (at least temporarily) in population growth.

The specific community data in the 2007 Census Bureau report was as follows:

Cities	2006	2000	Percent +/-
Alorton	2,578	2,749	-6.22
Belleville	41,095	41,410	-0.76
Brooklyn	635	676	-6.07
Cahokia	15,430	16,391	-5.86
Caseyville	4,257	4,310	-1.23
Collinsville	25,610	24,707	+3.65
Columbia	9,109	7,922	+14.98
Dupo	4,030	3,933	+2.47
East St. Louis	29,448	31,542	-6.64
Fairmont City	2,296	2,436	-5.75
Fairview Heights	16,587	15,034	+10.33
Freeburg	4,164	3,872	+7.54
Granite City	30,593	31,301	-2.26
Highland	9,373	8,438	+11.08
Lebanon	4,053	3,523	+15.04
Madison	4,559	4,545	+0.83
Marissa	2,024	2,141	-5.50
Maryville	6,906	4,651	+48.50
Mascoutah	6,209	5,659	+9.72
Millstadt	3,247	2,794	+16.21
New Athens	2,012	1,981	+1.56
New Baden	3,132	3,001	+4.37
O'Fallon	25,822	21,910	+17.85
Pontoon Beach	6,051	5,620	+7.67
Red Bud	3,568	3,422	+4.27
Sauget	242	249	-2.81
Shiloh	10,575	7,643	+34.40
Smithton	3,117	2,248	+38.70
Swansea	12,582	10,579	+18.90
Troy	9,578	8,524	+12.37
Waterloo	9,435	7,614	+23.90

3. Where SWIC Graduates Work

As part of the economic impact analysis conducted for Southwestern Illinois location of students employed in 2005 was determined by county in Illinois. The analysis focused on students enrolled in Southwestern Illinois College credit hour programs from 1994 to 2004. This cohort was matched against a database of all people working in Illinois in calendar 2005 who reported wages, and the postal code for their employer was used to identify county of employment. Counties were then aggregated into community college districts based on the information each college provide NIU at the outset of this project. Employers whose postal codes were unknown or out-of-state were excluded from the analysis.

A total of 107,071 Southwestern Illinois College students who had enrolled in credit courses between 1994 and 2004 were determined to be working in 2005. Of these, 32,695 or 30.5% held jobs with employers with postal codes that were unknown or out-of-state, and they were excluded from further analysis. Of the remaining 74,376 Southwestern Illinois College students, 79.1% worked within the community college district in 2005. These results are summarized in the table below.

Number of Students Enrolled in Credit Courses Between 1994 and 2004 Who Were Working in 2005	107,071
Students With Unknown/Out-of-State Employers	32,695 or 30.5%
Students Working in Illinois in 2005 with In-State Employer	74,376
Students Working in 2005 in the Southwestern Illinois College District	58,844 or 79.1%

Given the well documented fact that up to 40% of Metro East residents who work commuted daily to Missouri for employment, it is reasonable to conclude that a large number of the 32,695 former SWIC students who work out-of-state currently reside in the Metro East and commute to Missouri employers.

The strategic implication is that SWIC provides educated and trained employees for District 522 employers and adds significant economic value to the household incomes of district residents.

4. Population Migration Into, Out of, and Within District 522

In late January 2007, the Belleville News-Democrat ran a story titled “A Whole Lotta’ Movin’ Going On In Metro-East”. The story summarized the data analysis conducted by the database editor of the Charlotte Observer, a sister company of the Belleville News – Democrat. The migration data comes from address changes and other data received on IRS tax filings for the years 2000-05.

One of the findings of the analysis is that, over the five-year period, almost a quarter of a million people moved into or out of a metro-east county. This means that approximately 81% of the 2000 population stayed put in their current addresses between 2000 and 2005. The 19% who moved out of their residence were replaced by a little more than 19% who moved in. The net gain in population was only .3% according to this data source.

As discussed in Section B. 2, this level of overall population movement has been significantly reduced as a result of the recession.

C. ASSESSMENT OF ADEQUATE REVENUE TO SUSTAIN ENROLLMENT GROWTH

1. SWIC's Revenue Sources

An assessment of SWIC's three primary revenue sources revealed the following:

- a. SWIC's FY08 FTE enrollment of 8,181 placed it as the seventh largest community college in Illinois (down one place from FY07) and the largest of the downstate institutions south of I-80.
- b. SWIC's most recent property tax rate was the twelfth lowest of the 39 community colleges and was 11.9% below the average statewide tax rate.
- c. SWIC's FY 2009 tuition and mandatory fee rate of \$75 per credit hour was the twelfth lowest of the 39 institutions and was 10.7% below the state average of \$84.04.
- d. The dollar value of state funding flowing to SWIC in FY 2008 was the second highest in the state, trailing only City Colleges of Chicago. In terms of Equalization funding from the state, SWIC was also the second largest recipient and its share was 213.3% larger than the average community college share.
- e. Although SWIC's primary revenue sources traditionally are local taxes, state support, and tuition and fees, the college will face an increasing need to search for additional revenue in the "other" category. This could be comprised of both public and private partnerships, seeking new grants, private support through gifts or sponsorship, and providing additional services such as training and workshops that create revenue for the college budget.

This assessment reveals a double-edged sword for SWIC:

- Low tuition/fee rates and local property tax rates are advantageous for the communities and students served by SWIC.
- High dependence upon state funding represents a risk for the institution in that the Board of Trustees has no control over this significant revenue source.
- Some state funding requires that SWIC increase tuition and fees to comply with ICCB requirements.

2. State Support for Community Colleges

According to the report of the Illinois General Assembly Joint Task Force on Community Colleges, state funding for Illinois community colleges in FY 2007 was only 16% of the higher education budget while community colleges enroll 65% of the state's students. This primary inequity, along with sub-inflationary annual budget increases, has been a primary factor in the significant tuition increases at community colleges.

<u>Tuition & Mandatory Fee Increases: 2001-2007</u>	
Consumer Price Index	Up 15%
HEPI Increase*	Up 24%
SWIC Tuition/Fees	Up 34%
Illinois Community Colleges	Up 55%
Illinois Public 4-Year	Up 82%

* The HEPI is the Higher Education Price Index as compiled by the Commonfund Institute. HEPI is an inflation index designed specifically for higher education. It measures the average relative level of prices in a fixed basket of goods and services purchased by colleges and universities each year.

The following snapshots provide a fuller perspective of the declining state support for higher education, not only in Illinois but nationally.

- The January 9, 2009 “Friday Memo” from the Illinois Board of Higher Education reported that “Illinois spends \$7,000 per full-time student in appropriations to public colleges and universities, 26th among the 50 states, according to a new study by the Commission on Government Forecasting and Accountability. The state’s ranking, however, has declined dramatically since 2002 when it ranked 9th in the nation in spending per student. Overall, the report found, colleges and universities now receive a greater share of revenues from student tuition and fees and other sources and a declining share from state appropriations.”
- The January 16, 2009 editorial from the Champaign-Urbana News-Gazette stated that in Illinois “The funding ratios at public universities have shifted dramatically in just 10 years. In 1998, the state provided 37% of revenue while tuition and fees provided 17%. In 2007, state funding was 23% with tuition and fees amounting to 22%.”
- The Illinois Legislature’s Commission on Government Forecasting and Accountability concluded that “Illinois’ per capita funding for higher education amounts to about \$217, which ranks 32nd in the United States. As recently as 2002 Illinois ranked 20th. Three neighboring states provide significantly greater financial support: Indiana \$230 per capita, Iowa \$269 per capita and Kentucky \$295 per capita.”
- The National Center for Public Policy and Higher Education issues an annual report titled “Measuring Up” which issues a report card for each state on six performance categories. In the 2008 report, Illinois earned the failing grade of F on affordability, reflecting its continuing trend of declining state support for higher education.

3. SWIC’s MAAP Report

SWIC’s “unit cost of instruction” at \$200.39 per credit hour is 12th lowest in Illinois. In FY 07, it was 7.3% below the statewide average of \$214.92. This aggregation is broken out and enhanced by a major internal piece of SWIC cost/revenue analysis.

Every year the Institutional Research Office produces the SWIC Marginal Analysis of Academic Programs (MAAP) Report. The FY 2008 report was released in February 2009. The intent of the report is to analyze the revenues and costs associated with all 52 academic programs/departments. The results are utilized in the Program Review assessment of all academic programs. The analysis begins with the credit hours generated by each academic unit.

Revenues are assigned to each unit by including:

- Tuition (based upon mid-term credit hours).
- Course/Lab Fees (based upon 10th day credit hours).
- ICCB Apportioned Reimbursement (according to the six specific ICCB rates and the credit hours granted).
- ICCB Equalization Funding (per credit hour).

Expenditures are assigned to each unit by including:

- All direct costs attributed to the academic unit
- Plus • All indirect costs (institutional overhead) on a per credit hour basis
- Equals • Total Unit Expenditures

FY 2008 Results/Direct Net Margin

- In FY 2008, 42 academic units had positive Direct Net Margins (Direct Revenues-Direct Expenses). Mathematics led the way with a direct net margin of \$1,289,602 and Sociology/Psychology was second with \$1,090,958.
- In FY 2008, nine academic units had a negative direct margin with Nursing at \$257,335 and Aviation Maintenance at \$89,131.

4. SWIC's Continuing Affordability

It is common knowledge that community colleges are affordable. What is less well understood is the magnitude of the cost difference. In early 2009 SWIC began a new marketing campaign intended to illustrate how SWIC is considerably more affordable than public institutions.

a) Regional Comparisons

The cost data on 2008-09 tuition and mandatory fees for St. Louis Metropolitan area colleges and universities was taken from the November 7, 2008 edition of The Chronicle of Higher Education. The two state "flagship universities" were added to the Metropolitan area institutions for reference purposes.

Institution	Tuition/Fees
Washington University	37,248
Saint Louis University	30,728
McKendree University	21,270
Webster University	20,440
Maryville University	20,275
Fontbonne University	19,320
Lindenwood University	13,000
U of I, Urbana-Champaign	12,240
SIU, Carbondale	9,813
University of Missouri, St. Louis	8,595
University of Missouri, Columbia	8,450
SIU, Edwardsville	7,831
Lewis and Clark Community College	2,700
St. Louis Community College	2,490
St. Charles Community College	2,400
Southwestern Illinois College	2,250
Rend Lake Community College	2,220
Kaskaskia Community College	2,190

b) State and National Comparisons/Annual Tuition and Mandatory Fees

The table below illustrates the affordability of community colleges in general and SWIC in particular. The FY 09 data was supplied by the Illinois Community College Board.

	<u>Illinois Average</u>	<u>Midwest Average</u>	<u>National Average</u>
SWIC	\$2,250	NA	NA
Community Colleges	\$2,521	\$3,065	\$2,402
Public Universities	\$9,400	\$7,785	\$6,585
Private Institutions	\$25,045	\$23,431	\$25,143

D. ASSESSMENT OF LOCAL ECONOMIC CONDITIONS

1. Status of the Largest Projects in Southwestern Illinois

In 2008 there were eight large projects completed at a total cost of close to \$622 million.

Largest Projects Completed in 2008

Project	Location	Estimated Cost (In Millions)
Belleville Commons Shopping Center	Belleville	\$110
Green Mount Commons	Belleville	\$110
Casino Queen Phase I	East. St. Louis	\$110
Center Ethanol Company	Sauget	\$92
Collinsville Crossing Shopping Center	Collinsville	\$78
I-64 from I57 to Greenmount	St. Clair County	\$56
McKinley Bridge Rehabilitation	Venice	\$44.6
Elementary School Construction	East St. Louis	\$21.1
8 Projects	Within District 522	\$621.7 million Completed Construction

There are 20 very large projects under construction in 2009 with a total cost of approximately \$8.225 billion.

Largest Projects Under Construction in 2009

Project	Location	Estimated Cost (In Millions)
Conoco Phillips Coker	Roxana	\$3,600
Prairie State Energy Campus	Washington County	\$2,000
Mississippi River Bridge Project	Riverfront	\$640
Forest Lakes	Caseyville	\$400
SunCoke Energy Coke Plant	Granite City	\$290
Scott Air Force Base Housing	Scott AFB	\$254
Abengoa Bioenergy	Madison	\$244
Belleville Crossing Shopping Center	Belleville	\$90
Green Mount Crossing	Shiloh	\$90
USTRANSCOM Consolidation	Scott AFB	\$74.2
Belleville H.S. East Renovations	Belleville	\$37.7
375 th Medical Group Facilities Upgrade	Scott AFB	\$35.8
Granite Park Center Lowe's	Granite City	\$35
O'Fallon Township H.S. 9 th Grade Attendance Center	O'Fallon	\$30.6
I-270 from Miss. River to I57 (Resurfacing of bridge rehab.)	Madison County	\$29.9
Pontoon Road Overpass over Rte. 203	Granite City	\$26
Amelia V. Carriel Junior H.S.	O'Fallon	\$26
Caseyville Township Wastewater Treatment Plant Additions	O'Fallon	\$22
Dormitory for Enlisted Personnel	Scott AFB	\$20
20 Projects	Within District 522	\$8,225.30 Million Under Construction

2. Public Infrastructure Development

There are eleven major planning initiatives underway, which will ultimately result in significant improvements to transportation and other infrastructure in southwestern Illinois.

- The State of Illinois Department of Transportation has begun the preliminary planning for the Gateway Connector, a four-lane divided highway to run from the Jefferson Barracks Bridge in northern Monroe County east and north to the I-55/70 intersection with U.S. Route 40 near Troy in southern Madison County. This proposed highway would run within a few miles of the Belleville Campus and would make the campus more accessible to a large number of residents. In addition, the highway will better serve the anticipated residential growth along the length of its corridor. Potential construction is likely 12 years in the future (2020). There were no new developments on this project in 2008.
- Madison County has begun the effort to study six alternative routes of MetroLink from East St. Louis to various Madison County communities. None of the routes under consideration would serve the area near the Sam Wolf Granite City Campus while three of the alternative routes would go near SIU-E. Construction is still 10 to 15 years in the future (2017-2022). There were no significant new developments on this issue in 2008. In fact, the Missouri portion of the Metro Service area is experiencing severe cuts in bus service, with 25% of the bus route stops eliminated. MetroLink trains will be stopping at station platforms every 15 minutes rather than 10 minutes during the morning and evening rush hours.
- With the reopening of the McKinley Bridge a new retail development on Highway 3 is planned, pending Granite City council approval. This initial development is expected to include a \$13 million Lowe's and the development of a Super Wal-Mart as anchors along with additional new retail opening in the plaza. The project was delayed in 2008 due to the recession.
- Allegiant Air, serving Mid-America St. Louis Airport, has ceased its service. In 2008 a new air freight connection from South America was added at Mid-America to transfer fresh cut flowers.
- In March 2008, the governors of Illinois and Missouri announced that they had reached agreement on the financing and design of the Mississippi River Bridge to be located one mile north of the MLK (Martin Luther King Bridge). The \$640 million bridge will be financed with \$239 million in federal funds, \$262 million from the State of Illinois and \$75 million in Missouri money. Construction is expected to begin in 2010 and be completed in 2013. Immediate funding is contingent upon the allocation of funds in the federal stimulus bill.

Development in the Granite City Area

- United States Steel Corporation Granite City Works has begun a \$350 million project. They are adding a new Coke-Battery Regeneration facility on the mill compound. This project is expected to be completed in 2010 and add additional employees to the workforce. Meanwhile, operations at the Works have been suspended due to the declining demand for steel attributable to the recession. As a result, over 2,000 steel workers were laid off in 2008.
- A \$30 million railroad overpass constructed at the intersection of Highway 203 (Nameoki) and Pontoon Road is expected to alleviate traffic tie-ups at the five rail crossings. This project began early in 2007 and is expected to be completed in 2010.

Development in the Red Bud Area

- The City of Red Bud continues to plan for a Route 3 connector linking a Fourth Street extension to Illinois Route 3. This will improve access for students driving to campus and enhance the safety for local school students and hospital visitors and patients.
- Red Bud continues to attract business and industry to the East Industrial Park, with five of eleven lots now sold and four actually occupied. The newest tenant will begin construction this summer bringing an additional forty-five jobs to the community.
- The Waterloo area continues to experience strong residential growth. The school district broke ground in 2007 for a new high school. On completion and occupation, the current high school will be renovated for use as a junior high school. Eventually the elementary school grade building assignments will be re-configured to accommodate the growing K-8 enrollments.

In addition to these ten southwestern Illinois projects, MODOT has begun the multi-year project to improve I-64/U.S.40 in St. Louis City and County. In the short term, this project will cause significant commuting difficulties. In the long term, it will provide a safer and more efficient transportation corridor through the center of the Metropolitan Region. The project is on schedule and the first segment was completed in 2008.

3. Commercial Development Near the Belleville Campus

- The development adjacent to the Belleville Campus across Route 161 is nearing completion. The two anchors, Lowe's and Wal-Mart, have opened and development continues on the "out-lots". The residential development north of the retail development has been slowed by the collapse of the housing market and the recession.
- A \$100 million hotel, retail and office park project began in 2007 on 80 acres at the Northwest corner of Interstate 64 and Green Mount Road. The completed work on the development features a 128 room Hilton Garden Inn, a 99 room Hampton Inn and Suites, and a 32,000 square foot conference center. An

additional 500,000 square feet of office space is planned for the north end of the development with retail outlets on the southern portion.

- Construction on the \$8.1 million new Global Logistics Support Center at Scott Air Force Base has begun. Woolpert, Inc. designed the 32,000 square foot facility which will be one of six such USAF installations in the United States. Also under construction is the new \$90 million Army Military Surface Deployment and Distribution Command Center, which will bring 1,100 new military, civilian and independent contractor jobs. These two projects and the additional jobs are a positive result of the 2005 Base Re-Alignment Closure (BRAC). In January 2009, the U.S. Air Force announced that SAFB was one of six finalists to have the new cyberspace command which would result in additional construction and more permanent jobs on the base.
- Efforts by Collinsville attorney Jeff Cooper to build a new soccer stadium to serve as the home for the 17th Major League Soccer franchise have not yet been successful. The stadium would cost \$400 million, would seat 18,500 and would be surrounded by sports fields, stores, offices, 1,600 housing units and two 120 room hotels. In March 2009, MLS announced that Vancouver and Portland would be awarded new franchises. In addition, a competing proposal was submitted by a Missouri based consortium. This places Jeff Cooper's proposal in jeopardy. (Note: In April 2009, Women's Professional Soccer began with a St. Louis franchise. The St. Louis Athleticas are one of seven teams in the new Women's Professional Soccer League and all of their home games will be played at SIUE's Ralph Korte Stadium.)

4. Industrial Development

- In October 2007, Conoco-Phillips announced a \$3.6 billion expansion at its Wood River Refinery. Work began in September 2008 with a projected work force of 1,500 to 2,000. In terms of cost, the project will be one of the largest in the history of the St. Louis region. The project is expected to take five to six years to complete and will increase the refinery's capacity by approximately a third. The project is being undertaken by WRB Refining LLC.
- In June 2007, Peabody Energy Corp. signed a \$2.9 billion engineering and construction contract with Bechtel Corp to create the Prairie State Energy Campus. Progress was made in 2008 in contracting with the Illinois Municipal Electric Agency along with other investment/customer partners. About two-thirds of the Prairie State's generating capacity is now committed. Construction has begun and is expected to be completed in 2011.

5. Residential Development Throughout District 522

The nationwide collapse of the sub-prime housing mortgage industry has impacted Southwestern Illinois. New home construction has slowed and some developments have temporarily delayed their projected completion dates. Local real estate associations report that 2008 sales declined significantly from 2007 levels.

The winter 2007 PGAV projections for population growth along three Southwestern Illinois corridors have been negatively impacted by the housing market collapse. In section B.2 of this environmental scan, we reported on U.S. census population estimates released in June 2007. Aligning these latest data estimates with PGAV's projections gives these results:

a) I-55/70 corridor in northern St. Clair and Southern Madison Counties:

- Collinsville up 3.65%
- Highland up 11.08%
- Maryville up 48.50%
- Troy up 12.37%

b) I-64 corridor from Route 157 to Route 4

- Fairview Heights up 10.33%
- Lebanon up 15.04%
- Mascoutah up 9.72%
- New Baden up 4.37%
- O'Fallon up 17.85%
- Shiloh up 34.40%
- Swansea up 18.90%

c) Route 3 corridor from Columbia to Red Bud

- Columbia up 14.98%
- Millstadt up 16.21%
- Red Bud up 4.27%
- Smithton up 38.70%
- Waterloo up 23.90%

6. Employment Levels and Recession

An article in the February 27, 2009 edition of STLToday.com contained these facts on the grim state of the national economy:

- The economy contracted at a staggering 6.2% pace in 2008, the worst decline in the last 25 years;
- The downturn was widespread with significant cuts in consumer spending, a decline in U.S. export sales, reductions in factory inventories and business spending and halts in residential and commercial constructing;
- The American consumer stared at a three-headed monster: vanishing jobs, sinking home sales and shrinking investment portfolios.

The unemployment rate worsened in 2008 at the national, state and regional levels. The unemployment rate in the local communities served by SWIC continues to exceed the national and state rates. Illinois lost 100,700 jobs in 2008 and the University of Illinois 2009 forecast is for an additional job loss of more than 147,000 jobs. By February 2009, the Illinois rate was 8.6% and the national rate was 8.1%, which was a 25 year high.

<u>Month/Year</u>	<u>U.S.</u>	<u>Illinois</u>	<u>Southwestern Illinois</u>
January 2003	6.4%	7.2%	6.8%
January 2004	6.3%	7.0%	6.8%
January 2005	5.5%	6.1%	6.3%
January 2006	4.7%	5.2%	6.2%
January 2007	4.6%	4.6%	6.0%
January 2008	4.9 %	5.6%	7.1%
January 2009	7.6%	8.1%	9.6%

An inference for enrollment is that enrollment growth tends to level when unemployment rates are declining and the economy strengthens. The converse may also be true.

It is widely held that community college enrollments are counter-cyclical and may flourish during times of economic distress. A February 8, 2008 article “Colleges Prepare for Economic Downturn” in the Chronicle of Higher Education reviewed this assumption. **The author notes that two-year college enrollments benefited from the unemployment created by recession in 1991 and 2001.** Classrooms were more attractive than the job market and laid-off workers sought retraining—all of which primarily benefited public two-years because of their lower tuition, convenient locations, and career-oriented curricula.

One bright spot is that college graduates tend to be hit the least by layoffs. A January 11, 2009 Associated Press release detailed that while the U.S. unemployment rate for the general workforce was 7.2%, the rate was only 3.7% for college graduates. The reason is fairly straight forward: a college degree usually leads to a more stable and higher paying position.

Implications for SWIC are two-fold: the College should be aware that a faltering national and regional economy may result in a significant spike in enrollment and be prepared for the consequent increased demands on facilities, personnel, and other resources. The College must also be prepared to respond to this growth during a period when state and federal financial support stagnates or declines. At minimum, the institution should consider that a serious lag in funding is likely to occur if a recession drives enrollments upward.

7. St. Louis Metropolitan Area Economy

The regional economy was not immune from the recession. The Missouri Department of Employment Security announced in December 2008 that the Missouri portion of the Metropolitan area had experienced the layoffs of 8,500 workers at 18 St. Louis area employers in the last quarter of 2008.

A prominent example of the loss of metropolitan jobs occurred with AB/InBev. As a result of the acquisition of Anheuser-Busch by InBev in the summer of 2008 over 1,000 layoffs of salaried personnel at the St. Louis headquarters were announced in December 2008.

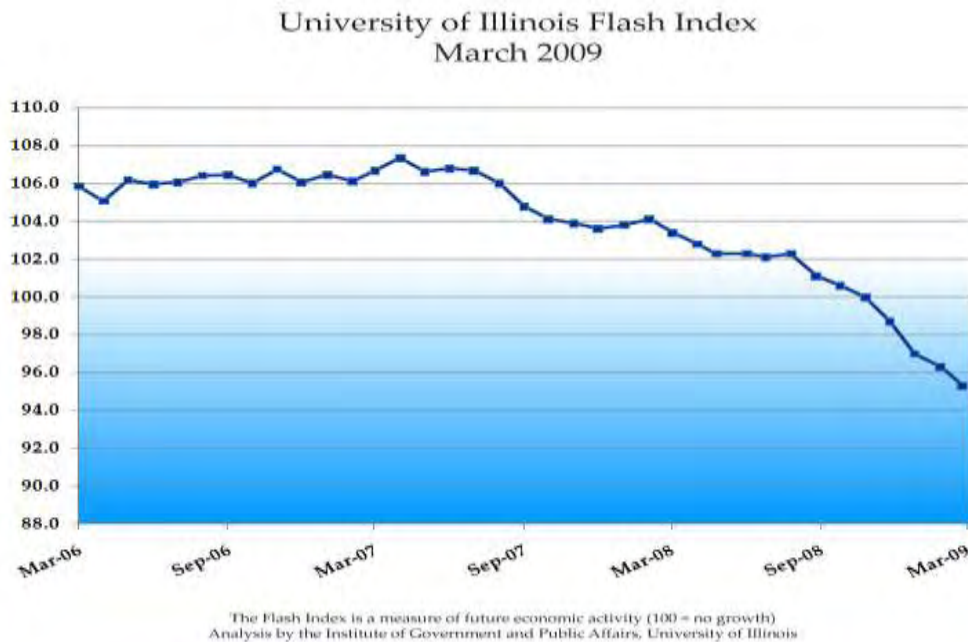
8. State Economic Conditions

The Flash Index of Economic Growth is produced by economists at the University of Illinois/Urbana-Champaign. Index readings above 100 mean that the state's economy is growing, while readings below 100 mean the economy is contracting.

Throughout 2007, the index fell for six months in a row. However, the index increased to 103.8 in January 2008, up from 103.6 in December. However, in the rest of 2008 and now into 2009 the index continued to decline.

Presently, the March 2009 index value of 95.3 is at its lowest point since 2002 – when Illinois was emerging from the recession of 2001. U of I economist J. Fred Gierts notes that the March 2009 reading is still above the low points associated with the 1990 and 2001 recessions, but he believes that the decline will continue. The lowest point ever experienced by the index was 85.9 in April 1983, a result of the twin recessions in the early 1980's.

In real terms, individual income tax receipts, corporate tax receipts, and sales tax receipts – the three components of the Flash Index – were below their level of the same month last year.



The index is a weighted average of Illinois growth rate in corporate earnings, consumer spending, and personal income. Components of the index are adjusted for inflation before growth rates are calculated.

9. Kiplinger National Economic Forecasts for 2009

The “Forecasts for Management Decision Making” issued by the Kiplinger Letter contained the following 2009 national economic forecasts in its February 18th edition:

- Gross Domestic Product: a further decline of 1.8% in 2009.
- Interest Rates: additional declines with 10-year Treasury notes yielding 3%.
- Inflation: Declining in the first half of 2009.

- Employment: Unemployment rate projected to reach 9% nationally.
- Housing Sales: A very small increase beginning mid-2009.
- Retail Sales: Will likely be flat.
- Crude Oil: Averaging \$63 per barrel throughout the year with (down from \$78 in 2008).

10. National Economic Forecasts for 2009

Bank of America issued the following economic predictions in January 2009:

- The U.S. gross domestic product will shrink by 2.1%.
- Private consumption will decline by 1.4%
- Net exports will decline by \$377 billion.
- Industrial production will decline another 4.9%.
- The national unemployment rate will average 8.2%.
- The Consumer Price Index will be a negative .9% (deflation).
- The five-year Treasury note will yield 2.8%.

E. TRENDS IN HIGHER EDUCATION SECTOR

1. Growing Need for Remedial Education

This trend is national, statewide and local and it is related to the employer dissatisfaction with the skills of high school graduates. Higher education institutions are experiencing greater need for remedial education in reading, writing and mathematics. Combined with the fact that many four-year institutions are now capping their enrollments and becoming more selective in their admissions, it appears that community colleges will receive an even greater number of incoming students in need of remedial education. SWIC's Student Success Centers, TRIO programs, Mission Success, COMPASS Assessment, Online Writing Lab, Early Alert System, LACE Assistants and tutoring programs are designed to address this student service need. In addition, AQIP Action Project #5-Improving Developmental Learning Opportunities and the new Title III grant address this problem. According to SWIC's FY 08 MAAP Report, a total of 16,997 credit hours were granted in Remedial Studies in FY 2008. This was the fourth largest academic program following English, Mathematics and Sociology/Psychology and FY 08 enrollment was 6.3% higher than FY 07.

An April 2007 report released by ACT indicated that nationwide four of every ten community college freshmen register for at least one remedial course. In Illinois the ratio is five of every ten. ACT reported that two-thirds of high school teachers believe that they prepared the H.S. graduates well while two-thirds of college teachers disagreed. Scott Parke of the ICCB was quoted in the Daily Herald observing that Math is the greatest area of academic weakness. In response to these statistics the State of Illinois beefed up high school graduation requirements in 2005 requiring more English, Math, Science and Writing to earn a high school diploma in 2008. The new standards go into effect for the 2008-2009 year.

In October 2007, the Springfield State Register printed an Associated Press article on high school dropout rates. It labeled 10% of Illinois high schools as "drop out factories". In 2006, 378 students graduated from East St. Louis Senior High representing just 49% of the 777 freshmen enrolled in 2002. Statewide, 72 of every 100 ninth grade students graduate four years later. Of these 72, only 43 immediately enter college and 20 of these 43 will either graduate with an associate's degree within three years or bachelor's degree within six years.

2. Illinois Community Colleges and Four-Year Degrees

Harper College is continuing its efforts to receive authority to offer baccalaureate degrees in designated fields. It continues to face opposition from almost all higher education agencies and institutions. Illinois House Bill 1434 would allow the community college in Palatine to set up a pilot program in two areas: Public Safety Administration /Homeland Security and Technology Management. Although the bill was not successful in the 2008 legislative session, Illinois House gave the approval to proceed with a pilot program on March 25, 2009. At this time, 14 states allow community colleges to grant baccalaureate degrees. In February 2007, Miami Dade College, the largest community college in the nation, received approval to offer a

Bachelor of Science degree in nursing. In December 2007, Community College Week reported that community colleges offering four-year degrees experienced double-digit gains in enrollment. In June 2008, nine more Florida Community Colleges joined a pilot program to offer four-year degrees on a limited basis. In March 2009, the Illinois Campaign for Political Reform criticized Harper for spending over \$200,000 on lobbying efforts with the Illinois legislature the last two years.

3. Illinois Community Colleges and Student Housing

There were no developments on this issue in 2008.

In 2007, Illinois House Bill 414 was approved by the House Higher Education Committee by a vote of 8-6. This proposed law would allow Illinois community colleges to build and operate campus residential housing only if the community college district encompassed eight or more counties; it would thus apply only to Illinois Central, Lincoln Land, Carl Sandburg community colleges. This bill did not proceed into law. On March 13, 2008, a Senate committee failed to approve SB 2043 (a similar bill to HB 414), effectively killing the student-housing bill for the 2008 legislative session.

Currently, community college foundations may own and operate such housing but the colleges cannot. In 2004, the Illinois Central College (Peoria) Foundation constructed a 330-bed apartment complex. According to the College's Vice President of Administration and Finance these facilities have been self-sustaining, with rental fees covering the cost of maintenance.

4. Firearms for Campus Security Personnel

An Illinois House Bill will make it unlawful for any governing body that employs peace officers to prohibit the peace officer from carrying a firearm in the performance of assigned duties. The ICCTA is opposing the bill on the grounds that it removes decision-making authority from local boards of trustees. It is anticipated that this legislative effort will impact SWIC's Public Safety Department if the bill is approved.

5. Growth in Online Education

- a) A November 13, 2008 article published by Inside Higher Ed.com reported that online enrollments continue to grow nationally. In fall 2007, the study reports, some 3.94 million students enrolled in at least one online course, an increase of 12.9% over the previous year. That falls between the 9.7% growth for fall 2006 and the 19.7% compound annual rate since fall 2002. In comparison, total student enrollments increased 1.2% in the year leading up to last fall, while the compound annual rate for all enrollments since 2002 was 1.6%.
- b) In December 2007, the *Community College Times* reported that community colleges lead the way in online learning. The annual Sloan Survey of Online Learning shows that nearly 20% of college students take at least one course online. The data shows that community college online enrollment has increased at an average annual rate of 21.5% over the past five years. Despite the rapid

increase, the survey indicates that the growth pace may soon slow. However, over the same timeframe baccalaureate online enrollments increased only 7%.

- c) Community colleges reported an 18% increase in distance education enrollments in a 2007 survey released in April 2008 at the annual meeting of the American Association of Community Colleges in Philadelphia.

The survey on community colleges and distance education is an annual project of the Instructional Technology Council, an affiliate of the AACC. The survey is based on the responses of 154 community colleges, selected to provide a representational sample of all community colleges. Last year's survey found community colleges reporting an increase in distance education enrollments of 15%.

This year's survey suggests that distance education has probably not peaked at community colleges. First, there is evidence that the colleges aren't just offering a few courses online, but entire programs. Sixty-four percent of institutions reported offering at least one online degree – defined as one where at least 70% of the courses may be completed online. Second, colleges reported that they aren't yet meeting demand. Seventy percent indicated that student demand exceeds their online offerings.

In the 2006 survey, 84% of institutions said that they were customers of either Blackboard or WebCT (now a part of Blackboard), but 31% reported that they were considering a shift in course management platforms. The 2007 survey suggests that some of them did so. The percentage of colleges reporting that they use Blackboard or WebCT fell to 77%. Moodle showed the largest gains in the market – increasing from 4 to 10 percent of the market – while Angel and Desire2Learn also showed gains.

The survey also provides an update on the status of many support services for online students, showing continued progress in the provision of services.

<u>Service of Online Students</u>	<u>Currently Offered</u>	<u>Offered a Year Ago</u>
Campus testing center for distance students	73%	69%
Distance ed. specific faculty training	96%	92%
Online admissions	84%	77%
Online counseling/advising	51%	43%
Online library services	96%	96%
Online plagiarism evaluation	54%	48%
Online registration	89%	87%
Online student orientation for distance classes	75%	66%
Online textbook sales	72%	66%

- d) The Illinois Virtual Campus has issued a report with data for Academic Year 2007-2008 compared against previous years going back to summer 2001. The data below is from the report.
 - 1) Online course enrollments for Illinois community colleges for academic year 2007-08:

- a) 481,774 online course enrollments (26,614 class sections)
 - b) Online enrollments accounted for 93% of all distance education enrollments
 - c) Distance education offerings include: Internet, stored Media, Open Broadcast and correspondence
- 2) SWIC's ICCB Peer Group Online Enrollments

	<u>FY 07</u>	<u>FY 08</u>	<u>% Change</u>
1. Parkland	10,292	11,994	+16.5%
2. Illinois Central	6,149	7,948	+29.3%
3. Lincolnland	4,128	4,852	+17.5%
4. SWIC	3,418	4,101	+20%
5. Blackhawk	2,974	3,692	+24.1%
6. Richland	2,212	2,703	+22.2%
7. Heartland	2,208	2,731	+23.7%
8. Rock Valley	1,545	1,926	+24.7%

3) Online Courses at SWIC (10th Day Enrollments)

	<u>#Online Courses</u>	<u># Online Students</u>	<u>Online SCH</u>
Academic Year 04-05	169	2,847	7,544
Academic Year 05-06	186	3,413	9,368
Academic Year 06-07	227	4,079	11,414
Academic Year 07-08	259	4,856	13,598
Academic Year 08-09	*305	*5,568	*15,913
Change 04/05 to 07/09	Up 80%	Up 96%	Up 111%

*FY08/09 is projected

It appears that SWIC's online enrollments are growing at the same rate as the other Illinois community colleges.

- e) In May 2006, officials at the University of Illinois proposed its Global Campus, a for-profit corporation relying on part-time faculty and operating outside the normal curriculum review process. In response to significant resistance from the academic community, the proposal was revised in January 2007 to be non-profit and subject to normal academic review. Plans to spend \$20 million to set up the new effort were approved. The first classes began in January 2008 with fewer than 15 students enrolled. Chicago Tribune headlines proclaimed "Global Campus Debut is a Dud". The effort began modestly with two degrees (Bachelor's in Nursing and a Master's in Online Education). On September 25, 2008 the Bloomington Pantagraph ran an article with the headline of "U of I Virtual Campus Flounders". U of I President Joseph White observed the Global campus lacks the autonomy of the three campuses and relies upon the faculty in those campus departments to create online courses. An April 3, 2009 article in The Chronicle of Higher Education reported that the break-even enrollment threshold of 1,650 students is expected to be reached in the 2010-11 academic year.

- f) An August 20, 2008 article in West End Word discussed the expanded online presence of St. Louis area colleges and universities.

“St. Louis area colleges are starting to offer more online courses to their students, and in turn have seen a significant rise in the number of students who enroll in such classes. For most colleges, online classes are simply a part of the mix, but with the increasing price of gas, online learning could become an even more familiar part of college life.”

“Bob Samples, a spokesman for University of Missouri-St. Louis, said the university is working to provide a combination of online and on-campus courses noted that there is an inherent versatility that comes with online courses. At any time of day or night, faculty members can post items to a class website, and online discussion does not have to correspond to regular class times, he said.”

“UM-St. Louis was the first university in the state to offer an online MBA program. Although students might have the impression that an online course would inevitably mean a reduction in the quality of education, this is not the case, Samples said.”

“At Fontbonne University, online courses are seen as a way to reach out-of-state students, and they can also be a convenient way of learning for graduate students who have commitments to jobs and families. But, by and large, undergraduates are still looking for the campus experience, said Vice President for Enrollment Management Peggy Musen.”

“The university has seen significant growth in the last five years, which has put a strain on parking and on-campus housing. To counter those problems, the university has moved some of its older students and international graduate students off campus.”

“Clayton Berry, a spokesman for St. Louis University, said that about 50% of its students are from outside St. Louis; undergrads have taken on-campus courses exclusively, while there are online courses offered to graduate students.”

“It’s a similar pattern at Washington University, where online classes are not directly available to undergraduates, although there are online courses available through the university’s night school, University College, said Director of Admissions Nanette Tarbouni.”

“Online classes are simply one of the many options available at the community college. Barb Matrecci, a spokesperson for St. Louis Community College said that SLCC offers two associate degrees online, compared to 10 transfer degrees and 90 vocational degrees. She said that if the college wanted to add more online associate degrees, they would have to be approved by the State.”

- g) The 2009 Spring Enrollment Survey conducted by the ICCB demonstrates a 23% system-wide increase in duplicated headcount internet enrollment over spring 2008. The following data is for SWIC and its neighboring community colleges.

<u>Institution</u>	<u>Spring 2008 Headcount</u>	<u>Spring 2009 Headcount</u>	<u>Enrollment Change</u>
Kaskaskia	2,967	2,814	-.5%
Lewis & Clark	2,336	1,806	-2%
Rend Lake	732	860	+17.4%
SWIC	1,640	2,522	+53.4%

6. U.S. Commission on the Future of Higher Education

In late October 2008 the Council for Higher Education Accreditation (CHEA) issued a report on the Higher Education Opportunity Act of 2008. The new act incorporates those suggestions from the U.S. Commission on the Future of Higher Education which survived the law-making process. The report notes that many commission recommendations did not survive, such as an expansion of federal rather than institutional control of judgments about student achievement. The CHEA report contains these observations:

“The reauthorized Higher Education Act signals far-reaching and troublesome changes in the accreditation-federal relationship and the institution-federal relationship. In both cases, the changes are driven by (1) government requirements in new areas of accreditation and higher education operation, (2) expansion of current requirements in areas already under federal scrutiny and, crucially, (3) extensive new federal authority to report to the public on the data that will become available.”

“The result is a federal government that has positioned itself, in an unprecedented move, as an authoritative source of information, judgment and disclosure about higher education operation and quality. Beyond this serious development, the detail of the data and extensiveness of reporting injects the federal government more than ever into the daily academic business of colleges and universities. The net impact is that the academic and accreditation communities will now be dealing with a U.S. Department of Education (USDE) that has fashioned a new role as a nationwide spokesperson, a “Federal Educator-in-Chief.”

“Within this federal authority structure, however, there are significant changes in eight accreditation-related areas. These are alternatives in federal language addressing (1) student achievement, (2) appointment of the national advisory committee, (3) due process associated with accreditor review and appeal procedures, (4) institutional mission, (5) distance education, (6) transfer of credit, (7) monitoring of enrollment growth, (8) information to the public, and (9) religious mission.”

“On the desirable side of the ledger, the new law makes it clear, for the first time at the federal level, that institutions play a central leadership role in setting standards and evaluating student achievement. Colleges and universities, not government, determine institutional quality based on judgment of student learning outcomes. It remains to be seen whether the full impact of this change will be felt, given the many features of the legislation that work against the reaffirmation of this institutional role.”

“The list on the undesirable side of the ledger is longer. The new due process provisions, providing for additional institutional challenge to negative sanctions from accrediting organizations, may initially appear helpful to institutions. Ultimately, however, the provisions may not result in an improved due process, but in a sacrifice of the peer-based system of accreditation to increased litigation, with attendant costs to both institutions and accrediting organizations. The due process provisions also dictate details of the operation of accrediting organizations.”

“The new law rearranges the institution-federal relationship in two major ways. Similar to what has happened with accreditation, institutions now have (1) a host of new areas of reporting and (2) expanded reporting in areas that are already in the law, culminating in 110 new reporting, record-keeping and regulatory requirements. Those range from tuition and tuition increases to peer-to-peer file sharing to fire safety to textbooks. Moreover, the new law contains a number of studies that, in many instances, will also require employment upon completion of a program or credential, a study to evaluate the quality of distance education, an examination of proprietary institutions, and separate studies of endowments, textbooks and articulation agreements.”

7. Respect for Illinois Community Colleges

In June 2008 the Community College Times reported on a survey of Illinois residents. The results were discussed at the University of Illinois Higher Education Summit. The following are highlights of the survey’s findings:

- **Residents of Illinois are not overly impressed with the state’s public higher education system, but they do think community colleges are doing a better job than four-year institutions.**
- Researchers noted that higher education institutions in the state don’t appear to be doing a good job of informing the public about what they do or how they operate. Despite Illinois having one of the best community college systems in the country as well as several highly ranked colleges and universities, 77% of survey respondents felt that the state’s higher education institutions are on par with colleges and universities in other states. About 15% said they felt the state’s colleges and universities were better, with 8% saying they were worse.
- The survey also showed that residents have mixed views regarding what drives tuition and fee increases. About 40% indicated general inflation as the prime cause, while 25% said waste and management on campuses pushed prices up. More than 40% of respondents cited “other reasons,” which ranged from personnel salaries and human service costs, to greed and “all of the above.”
- When asked what the priorities should be if the state was to invest more in higher education, survey respondents cited lowering tuition and fees (71%), offering more financial aid (62%), improving program quality (59%) and hiring more experienced and better qualified faculty (51%). Lower priority was given to improving facilities (41%), expanding program offerings (39%), offering more

attention to individual students (39%) and building capacity to enroll more students (26%).

- The survey also examined what skills gained in college were important to residents. Communication skills (80%) and problem-solving and analytical skills (79%) topped the list, followed by skills to land a job (74%) and high-tech skills (72%).

8. National /State Accreditation for Community College Dual Credit Programs

In 2007, the National Alliance of Concurrent Education Partnerships (NACEP) announced that it had accredited the dual enrollment program of 23 universities and community colleges. According to a press release “NACEP is a professional organization for high schools and colleges that fosters and supports rigorous concurrent enrollment. Established in 1999 in response to the dramatic increase in concurrent enrollment courses throughout the country, NACEP serves as a national accrediting body and supports all members by providing standards of excellence, research, communication, and advocacy.”

The organization evaluates institutions on 15 standards in the areas of curriculum, faculty, students, assessment, and program evaluation. The standards are measurable elements that are the basis of quality programs, and accredited institutions have met and submitted evidence of implementing NACEP’s requirements.

A bill has been introduced in the Illinois legislature which would provide for consistent rules on dual credit instruction for both public and private institutions in Illinois.

9. IT Now Part of College Rankings

U.S. News and World Report has amended its methodology for the annual ranking of colleges and universities to focus on Information Technology. The following questions now comprise new segments of the rankings criteria:

Number of open, wired network connections available to students?

In the library (excluding computer labs):

In classrooms:

In computer labs:

Elsewhere in the school/university:

Does the school have a wireless network?

Areas where wireless network is available:

Total approximate number of simultaneous users that can be accommodated by the wireless network:

Recommended computer operating system on campus:

Percentage of college-owned operated or affiliated housing units wired for high-speed internet access:

Student web pages permitted?

Is online registration for classes available?

10. Snapshot of IT Trends

Educause continued its annual survey of IT trends in higher education. The most recent report released in December 2008 contained these findings:

- Use of open source software – in any form, whether one product or many, and whether or not it was modified out of the box – increased to almost 51% of responding institutions, from 47% the previous year and 32% in 2005.
- Over 35% of the institutions surveyed reported that they use course management systems such as Blackboard, WebCT or open source solutions like Moodle or Sakai for all or almost all of their courses, up from 29% the previous year. Only half a percent said they didn't or didn't plan to use such a system at all.
- Among various technologies deployed on campus networks, several saw marked increases last year, including software that blocks spyware, personal firewalls and voice over IP (VoIP), among others.
- Sixty-eight percent said they had performed a formal campus IT risk assessment, up from 63% last year. Forty-nine percent have deployed emergency notification systems (such as text message alerts) and 47% are exploring their options.
- With 15% of responding campuses already offering legal downloading services, another 17% are considering the option, an increase for the second consecutive year.
- While slightly more IT administrators this past fiscal year sat on the president's cabinet, the number of such top administrators reporting directly to the president remains higher for community colleges, with 37% as compared to 31% for all colleges.

11. Community Colleges and Sustainability

The National Council for Workforce Education released a report titled "Going Green" in January 2009. The report describes the community college as "the perfect gateway to good green jobs" and predicts that green jobs represent "the greatest workforce development opportunity on the horizon for community colleges."

The report concludes with several other "action steps" for community college leaders to create a "sustainable future" and green workforce. The report suggests that community colleges:

- Serve as a community or regional catalyst for educating diverse audiences about environmental stewardship, sustainable development and the green workforce.
- Reduce the actual pollution and waste being emitted at the community colleges themselves.

- Make sustainability a prominent part of the campus culture, from how the institution is run to the courses offered to students.
- Join forces with “leading green community colleges” or existing consortia to avoid doing what’s already been done.
- Promote the college’s sustainability initiatives and green workforce development programs to help generate enthusiasm and support from students, faculty, staff, alumni, policymakers, the community, and potential funders.

Note: In April 2009 College President Georgia Costello organized an Energy Summit at SWIC which received PBS and local media coverage.

12. U.S. Slipping in Higher Education

In December 2008 the National Center for Public Policy and Higher Education issued its latest assessment of higher education in the U.S.

The report says that other countries are surpassing the United States, whose educational strength lies in its older residents, on measures of participation and degree completion. The International comparison is based on data from the Organization for Economic Cooperation and Development, a group of 30 democratic countries. The United States ranks second, behind Canada, in the proportion of its adults ages 35 to 64 that hold at least an associate degree, according to the report. However, among adults ages 25 to 34, the United States ranks only 10th.

Within the United States, disparities, by race and by income, persist in who enrolls in college, including Hispanic young people, that have lagged behind others in measures of college participation and success are among those that are projected to grow the fastest.

High-school graduation rates have fallen over the past two decades, truncating the pool of college aspirants, and enrollment of working-age adults in college-level training has been declining since the early 1990’s, according to the report.

Data from the Organization for Economic Cooperation and Development show that between 2003 and 2006 the U.S. slipped from 5th to 7th in the percentage of adults ages 18 to 24 enrolled in college. This is directly related to the falling high school graduation rates.

13. Increased Need for Veteran’s Services

The American Council on Education is projecting that more than 2 million veterans will be returning from the Afghanistan/Iraq wars. To prepare for the return of these veterans, the Post 9/11 Veterans Education Assistance Act of 2008, effective August 1, 2009, was passed to assist veterans in obtaining the access to college education they have earned.

14. “Plus 50” and the “Third Agers”

In early 2009 the American Association of Community Colleges published a paper titled “Plus 50 Students: Tapping Into A Growing Market.” The paper identifies the 78 million Baby Boomer generation as a significant new market for community colleges and cites three features at community colleges as being of particular interest to the “Plus 50 Crowd”: flexibility, convenience and affordability. The AACC projects that this population cohort will be interested not only in enrichment coursework but in new job skills for second careers. If in fact this group enrolls in community colleges in significant numbers it will enhance the multigenerational collaboration in the classrooms. Among the suggestions in the report are:

- Conduct a needs assessment and focus services to target specific wants;
- Review existing registration and admission policies and modify as needed;
- Conduct population-group specific marketing;
- Re-think program delivery and re-design to fit this target market;
- Consider creative financing.

The April 6, 2009 edition of Hispanic Outlook contained a similar article in which the baby boomers are identified as the “Third Agers.” This group is defined as those age 65 and older and is projected to double in number over the next 40 years. The article is based upon an American Council on Education (ACE) report titled “Mapping New Directions: Higher Education for Older Adults.” In 2005, adults aged 50 and older comprised only 4% of the nation’s 17 million college students, according to the U.S. Department of Education and the ACE report projects that this college participation rate will increase significantly. Community colleges will be the most likely enrollment choices due to their open access policy, geographical proximity and affordable cost. The ACE report provides these recommendations:

- Identify existing programs and services as well as gaps;
- Re-evaluate current delivery formats and consider alternatives;
- Modify current programs to accommodate adult learners;
- Explore innovative financing methods and tuition assistance.

15. The Decline of Newspapers and the Rise of the Web Site

Major daily newspapers nationwide – including the Belleville News – Democrat and Post-Dispatch serving SWIC “territory” – are significantly downsizing their printed (hard) copies and rapidly heading to online versions.

SWIC has historically relied heavily on print-edition advertising in the BND and, to a lesser extent, the Post-Dispatch.

SWIC also realizes significant publicity exposure in the BND, and in the P-D weekly suburban news sections (the P-D-s new “home” for most Illinois news), news coverage that is NOT tied to paid advertising.

2008-09 SWIC pilot-programs advertising in the BND Online and the P-D Suburban Journals Online confirmed a national advertising trend . . . that (1) Online advertising, in general, is not as readily apparent or as easily found as in print-edition; (2) many Online subscribers complain that Web site advertising is distracting/annoying (which

is counter to a central advertising objective); and (3) a high volume of “page hits” does not necessarily translate into resulting “clicks” to the SWIC web site (via advertisement hot links). As an example of #3, SWIC averaged 60K page hits monthly on BND/P-D pages selected for advertising, with a monthly average of less than 40 clicks through to swic.edu.

Potential implications include: SWIC may be better served to move its traditional newspaper advertising dollars into more efficient mediums, most notably into the significant upgrade of its own Web site; the college should continue to publicize all college events with regional daily and weekly newspapers without the assumption that ad placement is – or should be – tied to advertising expenditures, knowing that if the BND or P-D choose to run less news coverage of SWIC, it will risk reader complaints and set the stage for people who want/need SWIC news to get directly from the college Web site source.

16. Marketing Environment – Privatized Competition and Outside Funding

“Commercial” privatized educators – including tech-ed institutions like Ranken Technical College and Vatterott College, and general-ed schools like The University of Phoenix – are aggressively competing for current/potential community college students, largely via aggressive marketing campaigns.

These marketing campaigns tend to be media heavy in terms of both reach and frequency. These evident expenditures and recently published articles confirm a majority of commercial privatized educators spend a double-digit percentage (in some cases more than 20%) of their respective operating budgets on marketing. This compares drastically with SWIC, which currently formally allocates under two percent of its total budget to Marketing, inclusive of human resources. Illinois peer institutions responding to a 2008 ICCTA list-serve question confirmed similar marketing outlays to those of SWIC.

Separate from potential internal reallocation of funds, additional focus on grant opportunities, and SWIC Foundation donations, SWIC has an opportunity to creatively increase its Marketing budget through strategic alliances, as per its successful Regional Energy Summit 2009, which was self-liquidating as a result of event-participants’ sponsorship support.

17. Public Colleges Consider Privatization

In April, 2009 The Chronicle of Higher Education contained an article regarding the “privatization” of public institutions. The context of the article is that the recession-driven decline in state revenues has resulted in even lower state funding for higher education. Some college and university officials are proposing that operating more like private institutions would not only be a buffer from the recession and the volatility of state budgets, but would also be vital to the survival of many public institutions.

Others argue that “privatization” is simply a euphemism for much higher tuition levels, pointing out that the single most important differentiator between private and public is the price tag.

F. DEVELOPMENTS IN LOCAL COMMUNITY OUTREACH BY SWIC

During 2008 there were many efforts made by SWIC to further partnerships with local communities in the college district.

1. High School Academy

The High School Academy (HSA) is a program that was initially offered in summer 2006 after an academic year of collaborative planning with area school administrators, faculty and counselors. In its first year, the HSA was designed to be a remedial program in high school English and math, with courses offered in accordance with ICCB's secondary education curriculum. In 2006, 114 students registered for 1st and 2nd semester high school English and math classes.

During summer 2007, the HSA curriculum was expanded and additional sites were added; the program was offered at Waterloo, Sparta, and Chester High Schools. A total of 221 students participated.

Participation numbers were down slightly in summer 2008 due to the economy and Chester's withdrawal from the program.

It is anticipated that as state requirements for high school graduation become more defined, there will be considerable opportunity for growth in the High School Academy.

The planning group continues to meet and several new high school partnerships are under discussion.

In addition to assisting high school students, the initiative provides an excellent platform for SWIC to develop relationships with high school personnel.

2. Leadership Success Series/Regional Leaders Project- Red Bud

The Regional Leadership and Development Committee (to which SWIC lends support) initiated the Leadership Success Series in March, 2008. This series in conjunction with Selsius provides business training for local clientele at locations in Randolph County. The intent is to provide quality training without having to travel. To date, six seminars have been held in locations including Red Bud, Sparta, and Steeleville. The series will wrap up in the fall in Chester. In addition, participants identified the need for Office 07 training and that will be offered in May 2009 in Chester.

3. ICCB Pilot Project – College and Career Readiness Program

The Illinois Community College Board selected SWIC as one of five institutions to participate in a five-year pilot project with an objective of working with high schools to develop initiatives that will reduce the amount of time recent high school graduates spend in remedial English and math classes at SWIC. In the third quarter of 2007, high schools were selected, programs developed, and students recruited to

participate in the various programs. The programs began in January 2008. To date, SWIC faculty and staff have collaborated with high school personnel from more than 28 high schools: summer workshops, assessment and curriculum discussions, enrichment activities for students, workshops for at risk students from targeted high schools, parent meetings, student assessments, credit classes in remedial subject areas, and transportation as necessary.

As the scope of the project expands, opportunities to interact within the communities will increase.

4. Rural Mass Transit

The Red Bud Campus has participated in and supported the development of the Monroe-Randolph Transportation Stakeholder organization. This group provides guidance and assistance as the local transit district expands and tailors its services to meet the transportation needs of residents in the two counties.

A direct off-shoot of this effort is the creation of scheduled van services to and from the home communities of students living the farthest distance from the Red Bud Campus. This project began in 2008 and use continues to increase.

5. New Gifted Student Credit Courses at Red Bud

Parents of students who are academically gifted have expressed concerns about the lack of challenge opportunities available for their students in Monroe and Randolph counties. To respond, the Monroe-Randolph Regional Office of Education and Southwestern Illinois College officials developed the necessary skill assessment program and summer courses to be offered at the Red Bud Campus for these gifted students. Crafted for students in the seventh and eighth grades, a college credit course was offered in 2008 and the program will be continued in 2009.

6. Partnership with YMCA in Red Bud

The partnership between the Red Bud YMCA and the campus continues to grow and expand. Youth Soccer Camp and a new community activity called the Float-n-Flick have been very popular.

7. The American Red Cross – District-wide

The college continues to partner with the American Red Cross by holding blood drives at campuses and executing agreements for college facilities to serve as emergency shelters for the Red Cross.

8. United Way – Granite City

The Sam Wolf Granite City Campus has supported the Tri-Cities Division of the Greater St. Louis United Way for many years. Annually, the campus hosts the “Kickoff Breakfast” and the “Celebration Breakfast” for the annual giving program.

The campus is represented on the Greater St. Louis United Way boards (Board, Marketing, Budget and Finance Committees, and Executive Committee) and Tri-Cities Auxiliary Boards (Board, Executive, Marketing and Allocations committees). The campus provides local support of approximately \$17,000 annually through their employee campaign and auction.

9. Volunteering in Communities

The SWGCC TRIO Student Support Services program (initially funded in 2001) has been involved in volunteering and serving the community with their students and staff. Over the last year their participants and staff have reached out to the local community by serving food at the Granite City Community Care Center, Adopting a Street (for cleanup), and working with the local Granite City Association for the Protection of Animals. The staff is involved with the Even Start and Phoenix Crisis Center as board members.

AmeriCorps has initiated a Community Volunteer Fair giving all non-profits and community service organizations a change to recruit SWIC faculty, staff and students to serve various entities.

The Division of Liberal Arts has been incorporating Service Learning into its course curriculum since the 2000-2001 Academic Year. The Service Learning Program combines volunteering and classroom instruction by giving students the opportunity to provide service to their communities while critically reflecting on these experiences through course work. The goals of this program during the last year have been educating faculty members and assisting them in integrating service learning into their courses and helping students successfully engage in and complete their service projects. Sixty-two (62) students participated in service projects this year by serving food at a community Thanksgiving dinner, reading to children at the Kids' Club, helping out at the Greater Belleville Science Fair and at the Storytelling Festival, and working with the Signal Hill Neighborhood Association to beautify the West Entrance to Belleville.

10. Voter Registration and Early Voting

The college has participated in voter registration activities for many years. For the first time, early voting opportunities were made available at the Belleville and Sam Wolf Granite City Campuses for the November 2008 general election.

11. Programs and Services for Older Persons (PSOP)

PSOP has collaborated with St. Clair County and Shiloh to expand senior services in Shiloh. In addition, a new partnership with St. Elizabeth's Hospital will provide gerontology physician services at PSOP on a scheduled basis.

12. Healthy Community Initiatives

The college is an active partner in two new healthy community initiatives: Get Up and Go and Pioneering Healthier Community. College staff serve on regional

steering committees with mayors, education and business leaders and several events have been hosted at the Belleville Campus.

13. Grow Your Own Teachers (GYOT)

In 2006, Southwestern Illinois College entered into a partnership with East St. Louis School District 189, SIUE, and NAACP to establish the Grow Your Own Teachers (GYOT) initiative in our region. GYOT is a statewide program that encourages and provides support for paraprofessionals, parents and other active community members to become certified as teachers for employment in hard-to-staff public schools in their communities. Sixteen local consortia (including ours) have been established statewide with the goal of adding 1,000 teachers to low income and other hard-to-staff Illinois schools by 2016, particularly in teacher shortage areas such as bilingual and special education. Each consortium recruits and selects a cohort of GYOT candidates possessing at least high school diplomas or the equivalent who move together through the program, with guaranteed support and a schedule that allows them to work full-time. In return, candidates promise to teach for at least five years in the community's designated public school. Our local cohort for the 2008-09 academic year comprises 41 candidates, most of whom are fulfilling their freshman- and sophomore-level college program requirements at Southwestern Illinois College.

14. Southwestern Illinois HR Association

In the summer and fall of 2007, representatives from SWIC's HR and Selsius offices began meeting with the HR representatives of Memorial Hospital, St. Elizabeth's Hospital and the ROHO Group to plan for the creation of a Southern Illinois HR Association. The association's first meeting was held in early March 2008 and three additional sessions were held in 2008. This HR professional networking group is providing SWIC and Selsius with positive exposure.

15. Partnerships in the Higher Education Community Provide Opportunities to Transfer Students and Community Members.

The College has aggressively pursued partnerships with the four-year institutions serving our transfer students. Dual admission agreements have been finalized with Eastern Illinois University, Southern Illinois University Edwardsville, St. Louis University and Southern Illinois University Carbondale. These dual admission agreements allow a student to be admitted concurrently to Southwestern Illinois College and the transfer institution of choice. The sharing of academic records and cooperative advisement sessions assist students in identifying and planning for their academic career with a seamless transition as juniors to the baccalaureate school.

In addition, the McKendree University Nursing program utilizes the Belleville Campus facility on weekends, and McKendree graduate programs in business and education are hosted at the Red Bud Campus.

Southern Illinois University Edwardsville offers the Master in Business Administration at the Belleville Campus.

G. SUMMARY AND CONCLUSIONS

As stated in the Introduction, one of the two purposes of the annual Environmental Scanning Report is to “test” the continuing viability and relevance of the College’s Strategic Priorities and Goals. The current strategic plan has five key priorities and 27 specific goals. The five priorities that drive the strategic and tactical plans are:

- 1. Develop a diverse learner centered college community that is accountable for its mission, that embraces the assessment of learning outcomes, and that focuses on institutional quality improvement.*
- 2. Engage, partner and collaborate with communities and educational institutions.*
- 3. Increase the enrollment of the college.*
- 4. Develop collaborative processes that support technology, that promote effective business practices, and that align resources within the strategic plan.*
- 5. Develop systems, practices, and communication strategies that demonstrate the high value given to the people that comprise the college.*

In reviewing the events of the past year which comprise the bulk of the contents of the 2009 Environmental Scanning Report, the Scanning Committee concludes that there are no external trends or events which should reasonably challenge the viability and relevance of the five existing priorities. **To the contrary, the events of the past year and the trends which have further developed over the last several years, strongly suggest that the five existing priorities are very appropriate for this particular institution at this point in time.**

The assessment of the Scanning Committee is that priorities one, two, four and five are intended to support the achievement of priority three-Increase the enrollment of the college. There is strong evidence in the 2009 Scanning Report that these four supporting priorities are most appropriate. As specific examples, consider the following:

- SWIC’s actual enrollment history since FY 1999 (see page 3) has shown steady growth (Priority #3) and the 2008-09 academic year enrollment represents a new all-time record.
- There is a continuing need for additional classrooms and space on the Belleville Campus (see pages 2, 7 and 8) which suggests the need to align the resources with the Strategic Plan (Priority #4).
- SWIC continues to seek out partnerships with other educational institutions in order to increase its market share of district high school graduates (see page 4) and to grow enrollment while meeting local community needs (see pages 41-45) in a changing landscape (Priority #2).

- SWIC is already well positioned to meet the increasing demands for accountability, transparency and outcomes assessment detailed in pages 34-35 of the scanning report (Priority #1). The latest AQIP Action Project will focus on key measurement indicators as SWIC continues to fine tune its measurement system.
- As one of the largest employers in southwestern Illinois, SWIC is well-advised to continue its myriad efforts to recognize the value of the people who carry out the institution's mission (Priority #5).

The Environmental Scanning Committee offers the following observations to the Strategic Planning Council, the Board Policy and Planning Committee, the Board of Trustees, the College President and her administration, the College faculty and other College stakeholders.

1. Future long-term enrollment growth should be within the range of 1% to 2.5% annually. This projection is based upon the data contained within this report:
 - Future high school graduates within District 522 will increase each of the next two years with a slight decrease in 2011. However, the 2012 high school graduating class will be 28% larger than the 2007 graduating class.
 - SWIC's long-term enrollment growth trend has been 1.5% and is holding steady to that trend line.
 - The U.S. Department of Education projects annual average growth of 1.5%.
 - PGAV is predicting "conservative" growth of 2% and "aggressive" growth of 2.6% annually for SWIC.
2. The population of District 522 will increase annually by an average of .8% to 1.9% between now and 2020. This projection is based upon the data contained within this report:
 - Actual population growth from 1990 to 2000 was 4.1% or .41% per year (Census Bureau).
 - Estimated population growth from 2005 to 2010 is 4% or .8% per year (PGAV).
 - Projected long-term population growth between 2010 and 2020 ranges from "conservative" 8% (.8% annually) to "aggressive" 19% (1.9% annually) (PGAV).
 - Projected population growth from 2004 to 2020 could reach 24% (1.5%) per Development Strategies of St. Louis.

However, it is expected that the 2008/2009 recession will temporarily halt this growth.

3. The short-term revenue projections (next five years) will likely entail continuing increases in local property tax revenue attributable to increased equalized assessed property valuations, increased tuition/fee rates per credit hour attributable to SWIC's

need to meet the 85% of average Illinois rates, and minimal growth in state funding attributable to the overall financial difficulties of Illinois state government.

4. Southwestern Illinois is in the early stages of a 15 to 20 year period of economic growth and development. During this period, older communities in the American Bottom will continue to see population declines while newer communities will experience both residential and commercial development. SWIC's existing facilities are located in the appropriate geographic areas to serve this population growth.

5. The outlook for general economic conditions for District 522 residents five years from now is positive, with unemployment stable to low and household incomes moderately rising. Within the next twelve to twenty-four months, however, the general economic climate for the nation, the state and the southwestern Illinois region will be challenging with disruptions in the finance industry, higher unemployment rates and a recessionary environment.

6. SWIC, like other institutions of higher education, should continue to try to increase its online course offerings in response to student and employer demand. These efforts were aided in 2008 by the acquisition of additional bandwidth but it appears that additional instructional design staff may be needed to support the growth.

7. Three legislative initiatives to watch closely are "community college housing", "four-year degrees" and "arming of campus security personnel".

8. Three trends which could prove to be opportunities for SWIC are the "Green/Sustainability Movement, the renewed emphasis on higher education for veterans, and the emerging market of the "Plus 50" generation.

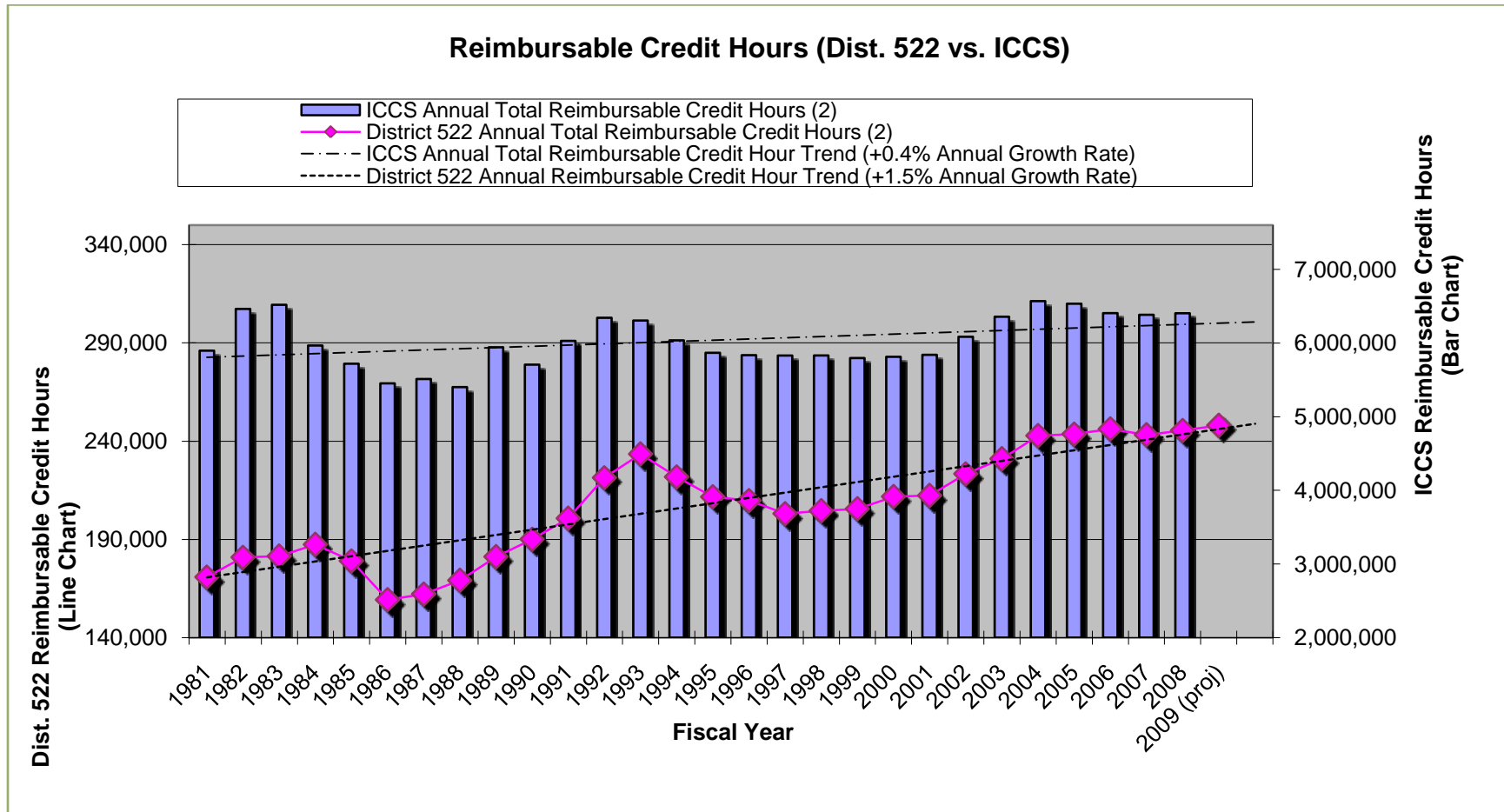
9. Continuing enrollment growth will not occur without the addition of more instructional space on the Belleville Campus.

10. The institution needs to continue to work to insure that its information and instructional technologies are adequate to meet the needs of stakeholders.

APPENDICES

Appendix I

**Southwestern Illinois College
District 522 Reimbursable Credit Hour Trend, Compared to ICCS Totals
(Revised 2/05/2009)**



Appendix II

STRATEGIC PRIORITIES AND GOALS FOR SWIC

BOARD-ADOPTED PRIORITY	BOARD-ADOPTED GOALS
<p>A. Develop a diverse, learner- centered college community that is accountable for its mission, that embraces the assessment of learning outcomes, and that focuses on institutional quality improvement.</p>	<p>A:1(a) Encourage an institutional culture that creates a climate on our campuses and in our classrooms that advances learning outcomes.</p> <p>A:1(b) Support faculty-driven efforts that develop instructional policies and procedures that impact how much and how well students learn.</p> <p>A: 2 Support the continuing enhancements being developed in student academic advisement services.</p> <p>A: 3 Encourage a culture that respects and promotes diversity.</p> <p>A: 4 Achieve and maintain compliance with HLC and other accrediting agencies and regulating bodies.</p> <p>A: 5 Create processes that identify student and community needs and goals.</p> <p>A: 6 Assure that the College’s mission, core values and AQIP principles drive institutional policies and practices.</p> <p>A: 7 Foster student success and student retention.</p> <p>A: 8 Respond to changes that impact the College, its mission, and it’s Strategic Plan.</p>
<p>B. Engage, Partner, and Collaborate with Communities and Educational Institutions.</p>	<p>B: 1 Assert Southwestern Illinois College as a leader in higher education, workforce development, and the economic development of our region.</p> <p>B: 2 Increase cooperation with area colleges, universities, and K-12 systems.</p> <p>B: 3 Improve awareness of the College’s contributions to the region.</p>

BOARD-ADOPTED PRIORITY	BOARD-ADOPTED GOALS
C. Increase the Enrollment of the College.	<p>C: 1 Increase the number of students that are served and the credit hours or other indicators that measure that service.</p> <p>C: 2 Promote policies/practices that increase student retention.</p> <p>C: 3 Prioritize the development and promotion of programs, services and delivery modes.</p>
D: Develop collaborative processes that support technology, that promote effective business practices, and that align resources with the Strategic Plan.	<p>D: 1 Achieve and maintain a position of technology leadership.</p> <p>D: 2 Provide instructional and administrative information technology appropriate to program needs.</p> <p>D: 3 Provide appropriate technology for curricula, students, and non-curricular programs.</p> <p>D: 4 Assure that capital and funding requests are driven by the strategic plan.</p> <p>D: 5 Recognize maintenance and operating costs as factors in achieving strategic goals.</p> <p>D: 6 Plan and develop revenue sources that are commensurate with priorities.</p> <p>D: 7 Assure that budget recommendations are developed through an open and collaborative process.</p> <p>D: 8 Adopt business processes that align with the expectations and practices found in the private sector, as appropriate.</p>
E. Develop systems, practices, and communication strategies that demonstrate the high value given to the people that comprise the College.	<p>E: 1 Design and fund a comprehensive system of orientation, continuing training, and personal development for all faculty and staff.</p> <p>E: 2 Continue to focus on the role and effectiveness of the adjunct and part-time faculty and staff.</p> <p>E: 3 Improve communications within the College and among employee groups.</p> <p>E: 4 Create a sense of community within the College and among faculty, staff, and students.</p>