A Unique Value Proposition in Higher Education & Workforce Development

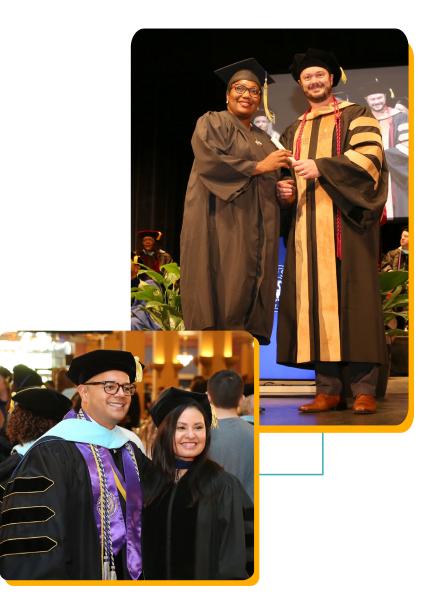
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Framing the Current Landscape

Traditional higher education is under siege in the modern era. A recent poll revealed that confidence in higher education is at an all-time low. Part of the challenge is the perception of value: higher education tuition inflation has been rising unabated, and students increasingly see little point in sinking tens of thousands of dollars into degrees that promise such small returns on their investments. Many students leave higher eduacation mired in student loan debt for decades. Another significant aspect of the challenge is logistical: For adult learners, particularly those with jobs and families. earning a degree can be time-consuming and inconvenient. Perhaps it's not surprising that nearly one-third of students enrolled in four-year programs don't complete their degrees in six years. It's also why there are 40.4 million Americans who have taken some college courses but have no degree.

Students increasingly see little point in sinking tens of thousands of dollars into degrees that promise such small returns on their investments At the same time, there are significant labor shortages in many key sectors, especially <u>teaching</u> and <u>nursing</u>. Many higher education institutions have shown a lack of agility in partnering with employers to help solve their human capital challenges of attracting, retaining, and upskilling critical staff.

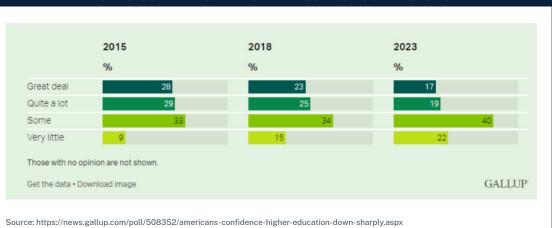
Our country can't afford to let <u>higher</u> <u>education become unaffordable or</u> <u>unattainable</u> for a significant part of our population, locking these individuals out of both career and financial opportunities. And our communities will continue to suffer if our teacher and nursing shortages persist at current levels.

1/3

of students enrolled in four-year programs don't complete their degrees in six years

40.4 million

Americans have taken college courses but have no degree



AMERICANS' CONFIDENCE IN HIGHER EDUCATION CONTINUES TO FALL

Enter American College of Education

Higher education may be at a crossroads - but American College of Education® (ACE) has already charted a unique path toward offering value to students and employers through affordable, high quality and flexible online programming. ACE was recently ranked No. 2 best online degree provider by Newsweek. And while other colleges and universities may claim to have a similar mission, ACE is one of, if not the only regionally accredited college that is truly unique in their commitment to affordability, student outcomes, student career progression, and student return on investment (ROI). ACE illustrates that higher education institutions do not require federal student loans and federal and state subsidies as a funding

RETURN ON INVESTMENT



For every dollar invested, ACE students gain \$19.20 in future earnings.

Source: Lightcast study, The Economic Value of American College of Education

mechanism. ACE also shows us that higher Education can be nimble and can adapt to support student and employer needs. ACE is committed to putting the needs of students and employers before their own.

ACE's model has scaled as the college currently has almost 10,000 students, 40,000 alumni and thousands of employer partners. Recent Integrated Postsecondary Education Data System (IPEDS) data reveal that ACE is the #1 conferrer nationally of M.Ed. in Teaching English Learners, M.Ed. in STEM Education, and M.Ed. in Health and Wellness Education. ACE is the #2 conferrer nationally in M.Ed. in Education Leadership, M.Ed. in Teacher Leadership, M.Ed. in higher education, and M.Ed. in Literacy.

TOP ONLINE COLLEGE

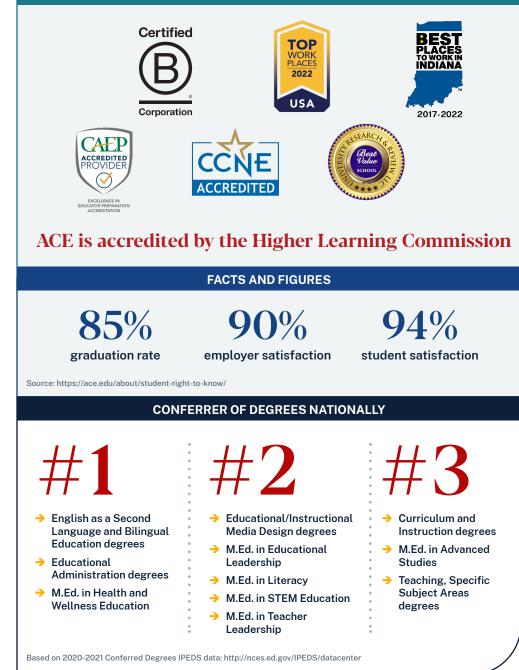


The mission of American College of Education is to deliver high-quality, affordable and accessible online programs grounded in evidence-based content and relevant application, preparing graduates to serve, leave, and achieve personal and professional goals in diverse, evolving communities. ACE has also been recognized nationally as a <u>Top</u> <u>Workplace</u> by Energage. While ACE is accredited by the Higher Learning Commission (HLC), its teacher preparation programs are accredited by the <u>Council for Accreditation of Educator</u> <u>Preparation (CAEP)</u>, and its nursing programs are accredited by the <u>Commission on Collegiate</u> <u>Nursing Education (CCNE)</u>. ACE is certified by the nonprofit B Lab and meets rigorous standards of social and environmental performance, accountability and transparency.

ACE's high quality educational offering achieves very strong outcomes with an 85% student graduation rate (significantly higher than many other in-person institutions),* 90% employer satisfaction and 94% student satisfaction. ACE's student pass rates on state licensure exams are stronger than average state pass rates. All of this is delivered at a cost that is half to sometimes twothirds less than other colleges and universities.

ACE's mission extends beyond individuals to employers. As a result, ACE offers compelling human capital solutions to school districts and hospital systems, which can be tailored to help attract, retain, upskill and reskill staff. ACE can evaluate existing professional development for college credit and map its content to career pathways. ACE endeavors to positively impact learning outcomes, patient outcomes and to have a positive financial impact through its enterprise solutions.

ACCREDITED, CERTIFIED AND NATIONALLY RECOGNIZED



The ACE Model

ACE was founded on the premise of providing a value for teachers and to help solve the challenges facing school districts. "Serving those who serve" describes the communal and generational impact that ACE has prescribed since its beginning. It's why nearly two decades after its founding, ACE continues to provide high-value, innovative and impactful programs and aims to be part of the solution in solving the many challenges plaguing our community and many of our most critical industries. ACE prepares today's students to be tomorrow's global leaders by unapologetically breaking perceived links between cost and quality.

ACE made a critical founding decision not to accept Title IV student loans, even though they are regionally accredited by HLC and eligible to receive federal aid. This decision is one of the many contributing factors to ACE being able to keep their tuition rates low; they do not have the additional expense and oversight required for TIV compliance. At ACE, students pay-as-they-go each term with few needing to leverage private loans. Eighty-five percent (85%) of ACE's students graduate with absolutely no debt.*



85% of students pay as they go without going into debt

KEEPING COSTS LOW

No Title IV Funding

This keeps operational costs low and saves students money. We're championing a new education model based on real-world costs so students can progress in their careers without the shadow of student debt.



In the context of pervasive higher education tuition inflation and over \$1.6 trillion of outstanding student loan debt, ACE offers a unique value proposition to its students. ACE has some of the most affordable tuition in the nation, with Bachelor Completer, most Masters and MBA programs all under \$10,000 and Ed.D.s under \$24,000. ACE's degrees are tied closely to career progression and meaningful salary increases. ACE has not raised tuition since 2016 and remains steadfast in its efforts to continue decreasing student costs. As one example, they reduced net tuition by granting over \$4 million in credit for prior learning (CPL) since 2018 and provide scholarships of more than \$2 million annually.

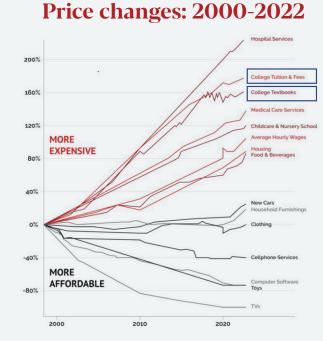
* Source: https://ace.edu/about/student-right-to-know/

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ACE provides a strong ROI for students. In September 2023, market research firm Lightcast found that for every dollar students invest in ACE in out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$19.20 in higher future earnings.

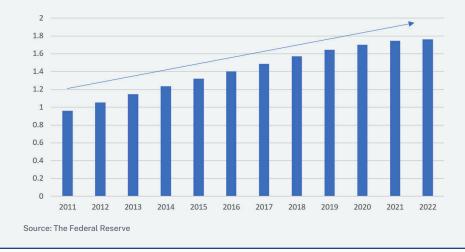
ACE's programs are guided by innovative best practices with three qualities serving as the foundation to a high-quality, innovative, and valuable learning experience. Rooted in our core vertical of education, these qualities have remained consistent as ACE has expanded into healthcare, nursing, and business.

HIGHER EDUCATION INFLATION & STUDENT DEBT CONTINUE TO INCREASE



Source: Bureau of Labor Statistics

Outstanding Title IV debt (USD Trillions)



ACE's Origin Story & District Partnerships

In 2004, prominent educators and business leaders met to discuss much needed reforms in the preschool to 12th grade education sector. The group put together a conceptual framework for addressing the interrelated elements of two educational crises: the large number of students who don't finish college, and the shortage of qualified, effective teachers and administrators. Everyone agreed that the teaching profession needed to be rejuvenated to reinforce that teaching is a critical, respected profession. And they also agreed that colleges should incorporate technology to make teacher education programs less expensive and more accessible.

The group decided to start American College of Education, a new college of education, to address these issues, and partnered with one of the largest school districts in the country to find its first cohort of students. In 2005, ACE acquired Barat College in Illinois, which had closed a year earlier — with trustees pledging to continue the 150-year-old college's mission of educational equity and opportunity.

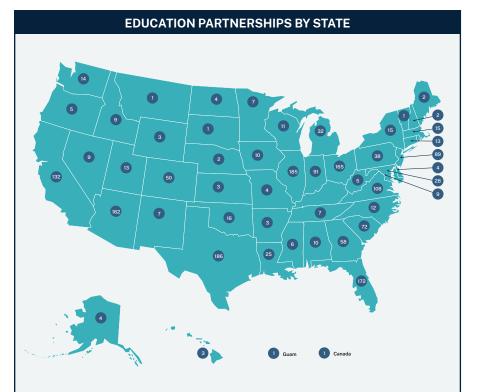
ACE's initial district partner sought a new approach for supporting their educators, recognizing the vital role educators play in driving student achievement. The district understood that investing in teachers would spur teacher retention, as well as create a



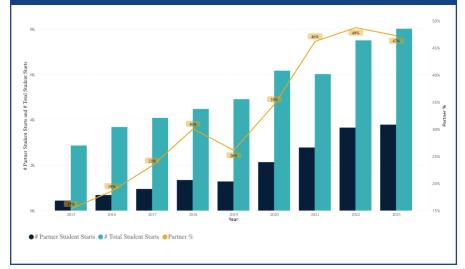
pipeline of talented school leaders. Looking for a flexible, affordable solution, they turned to ACE.

For its part, ACE welcomed the chance to bring its personalized instructional model directly to teachers and further refine its curriculum to reflect the needs of the educators and the school districts. Therefore, being a human capital partner for districts has been part of ACE's DNA since its beginning.





PARTNERSHIP STARTS VS TOTAL STARTS



In the early days of the partnership, students attended about 90% of courses in person at 33 school sites two days a week. Students received free refurbished laptops and a preprogrammed CD on each course that contained everything from lectures to assigned readings. Three ACE internship directors traveled weekly to each site to ensure that students turned in their internship assignments on time. The relationship has evolved over time, and now with the help of technology, students are now taking all courses remotely.

This type of district partnership provided a way for teachers to access meaningful opportunities for advancement in ways that fit into their day and with structure that made the program easy to follow. More importantly, this initial cohort model created a community of support for the educators going through the program. One participant, who has since gone on to earn a doctorate, noted that the connections and collaboration within the ACE cohort was a meaningful differentiator and was something other educational programs didn't offer.

The results of this relationship reinforce the need for more flexible educational opportunities for teaching candidates and existing educators. After the first 24 employees graduated, the number of enrolled students immediately grew more than 20 times to 500 students. The district partnership is now twenty years old, and graduates from that cohort have gone on to take leadership roles in schools and districts. ACE now has over 2,300 school district partnerships throughout the United States.

Expansion Into Nursing, Healthcare & Business

Cognizant of the staffing shortages in nursing and healthcare, ACE expanded its mission and launched programs in healthcare in 2014 and nursing in 2018. While the curriculum is of course unique to the respective industries, the guiding principles are the same — create the best possible learning experience rooted in a pedagogically sound framework with engaging, innovative, real-world assignments taught by practitioners in the field. Their scaling did not stop there. Businesses across many sectors have similar needs to the K-12, nursing, and healthcare industries. They also need to retain and upskill their employees, ensure they are hiring and promoting top talent who can bring value to their organization, and now, more than ever, businesses recognize the need to be socially responsible and not contribute to the national student debt crisis.

Teaching at ACE has been a wonderful experience, as the culture is embracing and focused on a student-centered approach to learning, and this is beneficial to ensuring positive outcomes. ⁹⁹



Dr. Merle Point-Johnson Instructional Faculty, Healthcare 2023 Faculty Excellence Award Winner

CREDIT FOR PRIOR LEARNING EXAMPLE ACE 34 Credit Hour Program Professional Development Completed **TUITION*** Estimated \$9.500 Time to Prior Completion Learning Reduced to **TUITION WITH CREDIT*** Credits 12 Months Awarded \$7.025 Nine Credits Transferred (Equal to Three Courses)

Credit for Prior Learning (CPL)

As one of its many initiatives to reduce the cost and time to obtain a college degree, ACE is committed to CPL in order to further drive value for students and employer partners. ACE's credit for CPL can shave off thousands of tuition dollars for students and also serve to further accelerate their time to completion. ACE can also assess CPL of a school district hospital, or business's professional development (PD) and provide a pathway into ACE's degree programs.

*This is an estimated value of the cost for tuition and fees. Amounts may vary depending on number of transfer credits applied to the selected program hours or program pathway credit hours, the pace and satisfactory completion of the selected program or program pathway credit hours, receipt of, or eligibility for, institutional or non-institutional scholarship and/or grant amounts, and adjustments to tuition or fees as described in the Catalog Right to Modify Tuition section

The Future of Education

The United States can't afford to put education out of reach for the next generation of teachers, nurses, healthcare professionals, and business leaders.

Shortages in teaching and nursing aren't solely due to the cost of higher education but making these programs more accessible is a huge step toward creating the skilled workforce that we need now and in the future. This accessibility needs to take many forms. Cost is one and flexibility is another — the ability to provide continuing education on a schedule that works for busy working professionals and parents.

By addressing key levers — cost, modality, and approach — ACE's innovative education programs can offer education that is accessible for all would-be teachers, administrators, nurses, and more — and that represents a good investment.

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