

The Necessary State Responses



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“What Matters Now? College Access and Success in the Age of Obama”



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DELTA PROJECT
on Postsecondary Education Costs,
Productivity, and Accountability

The Basic Message

- States face a large – but surmountable – challenge
- Meeting the challenge will require
 - A clear agenda
 - Changes in approaches to funding
 - A focus on Productivity
 - Meaningful accountability metrics and practices

The Attainment Challenge

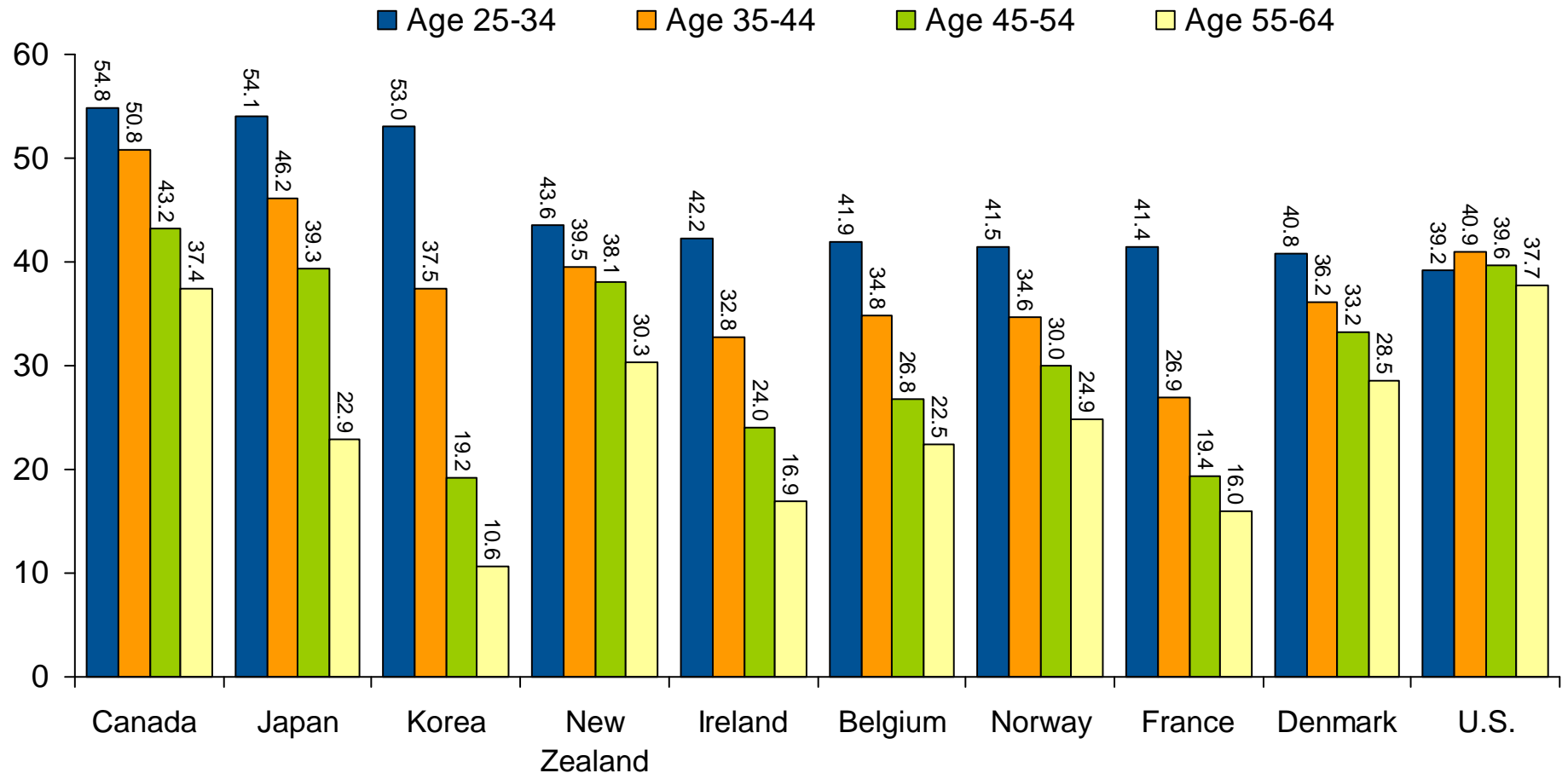
The Reality of Higher Expectations

“By 2020, America will once again have the highest proportion of college graduates in the world”

- *President Obama, 2/24/09*

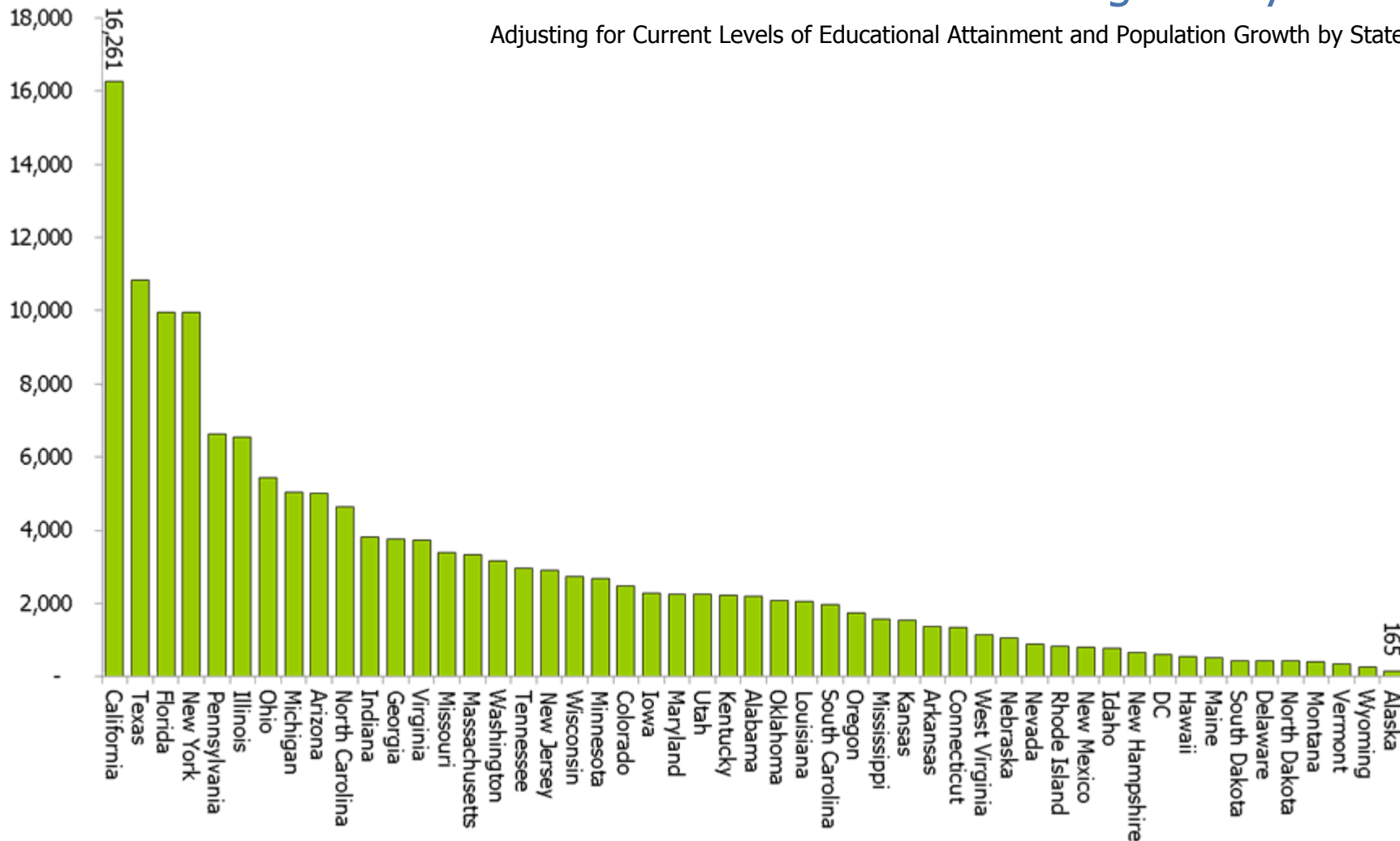
- State Level Goals
 - Double the numbers in Arizona, Colorado, & Kentucky
 - Global Competitiveness in Minnesota and Texas
 - 40-40-20 in Oregon

Percent of Adults with an Associate Degree or Higher by Age Group - U.S. & Leading OECD Countries



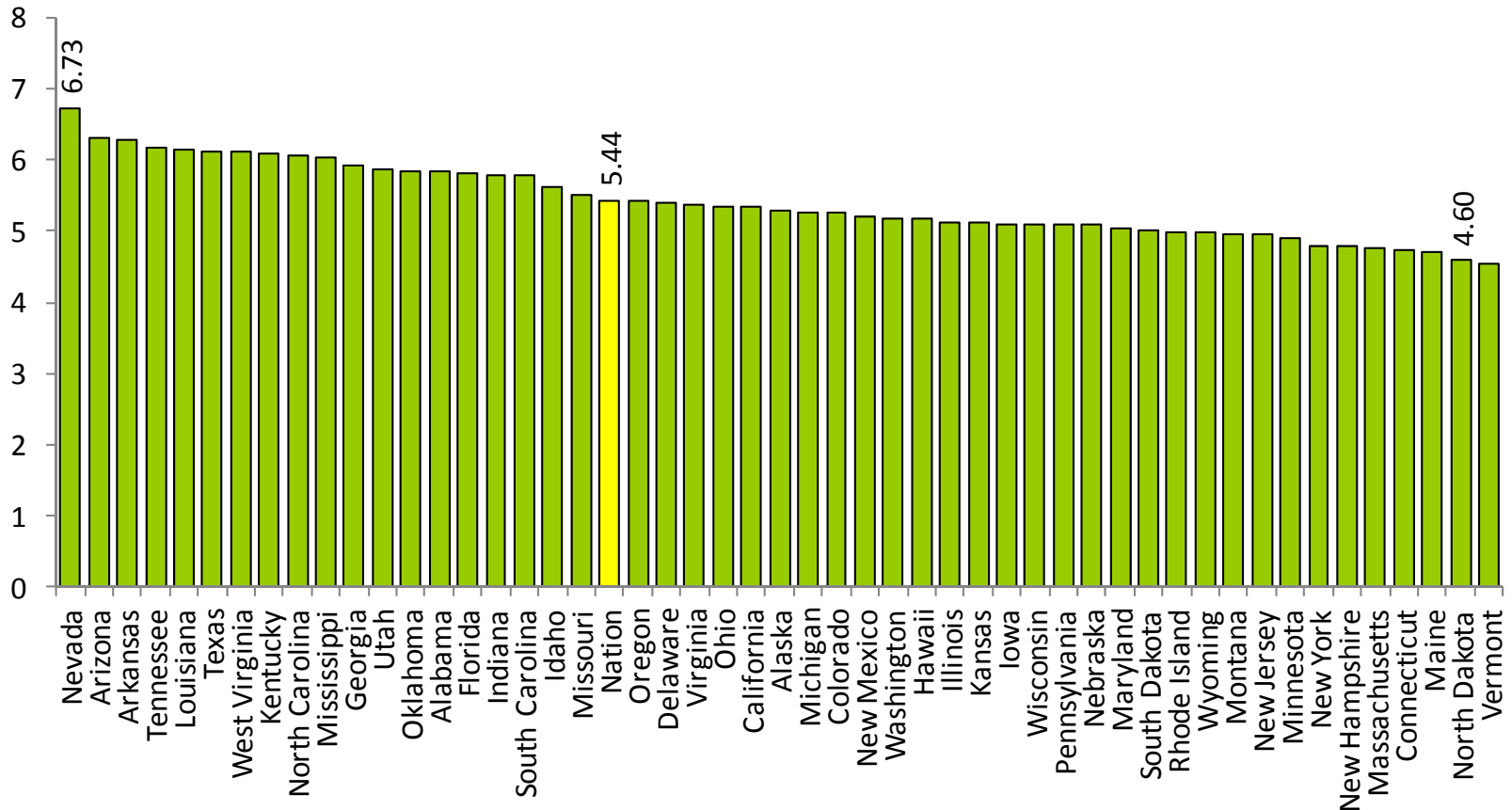
Annual Increase in Degree Production Required to Meet the Goal – 11.7 Million Additional Degrees by 2020

Adjusting for Current Levels of Educational Attainment and Population Growth by State

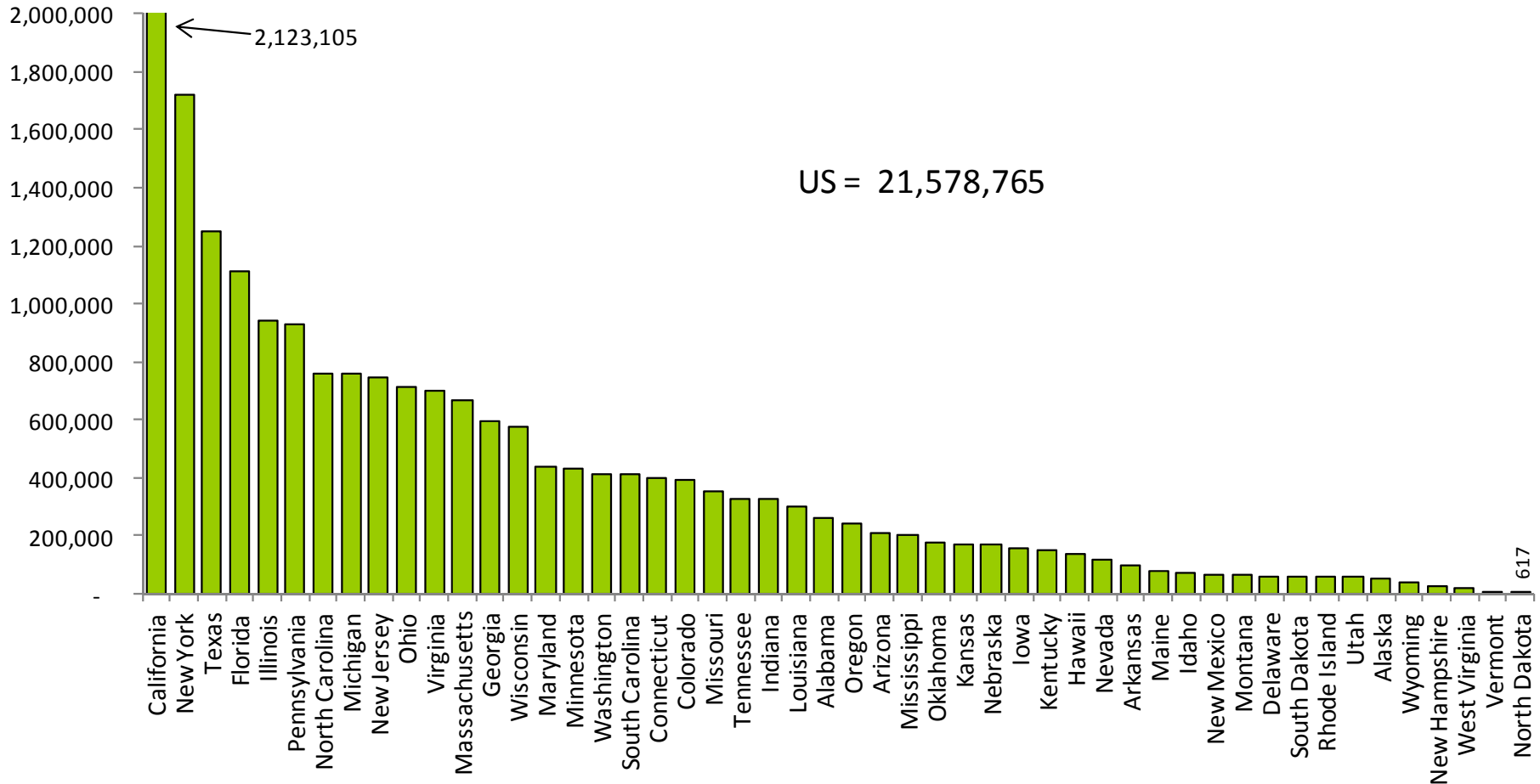


Percent Annual Increase in Degree Production Required to Meet the Goal – 11.7 Million Additional Degrees by 2020

Adjusting for Current Levels of Educational Attainment and Population Growth by State



Additional Degree-Holders Needed to Close Racial/Ethnic Gaps Between Whites & Minorities, 2005-07



The Necessary State Responses

- Set clear attainment goals – with attention to unique state conditions and needs
 - Long-term & year-by-year
 - Accompanied by metrics to monitor progress
- Change approach to budgeting
 - Align finance policies with goals and with each other
 - Appropriations to institutions
 - Tuition
 - Student financial aid
 - Capital
 - Shift from institutional “equity model to an investment model and invest in
 - Cost-effective systems
 - Student success and practices that lead to that end
 - Productivity enhancement

The Necessary State Responses

(continued)

- Change relationships between state & institutions
 - General philosophy of operational autonomy with (very) public accountability
 - State focuses on goals and accountability (the “what” & the “whether”)
 - Institutions have latitude in “how” goals are achieved
 - Eliminate most regulatory shackles – but maintain the few that really matter
 - Institutional missions
 - Articulation & transfer
- Keep the agenda alive
 - On-going opportunities for reminding all the players about the agenda

Institutional responsibility for financing the attainment agenda



Jane Wellman

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Institutional Responsibility for Increasing Student Attainment

- Commit to the goal, and to the public responsibility
 - For state institutions, ≠ “privatization” via increasing out-of-state “full-pays”
- Address alignment of standards & expectations for success in ways appropriate to role
 - CC’s: placement exams
 - 4-years: admissions requirements, placement exams, expectations for first-year learning goals, reducing attrition
 - All: support high standards for high school graduation; reduce need for remediation and improve the effectiveness of remediation
- Set institution-specific goals for access and attainment, and monitor progress toward meeting them

Re-Boot Fiscal Practices, Focus on Strategic Finance, Not Cost-Shifting or Budget Cutting

- Budget cuts: one-time, meant to be restored when revenue allows
 - Furloughs, hiring freezes
- Cost shifts: shifting functions to an alternative revenue source (ex: tuition increases)
- Cost reductions: permanent reductions to cost structures
 - Eligibility for benefits, reductions in program scope
- Productivity increases: increase in throughput without changing inputs including resources
 - Fewer credits to the degree
 - Reduction in attrition
 - Increase in research activity

Administrative Cost Restructuring

- Look at reasons behind incremental growth in administrative costs
- Address growth in benefits costs: retirement, health care
- Consolidate administrative and support functions
- Strategic procurement
- Energy retrofitting/utilities costs
- Reduce subsidies to athletic programs
- Restructure debt

Academic Program Cost Restructuring

- Reduce high cost/low demand programs, and reinvest in areas that are central to attainment agenda
- Reduce merit aid in areas unrelated to attainment priorities
- Faculty retirement planning and rehiring
 - Use turnover savings for investments in faculty development to support teaching/learning
 - Create alternative faculty career paths that emphasize teaching
- Build a cost-effective undergraduate curriculum
 - Review course offerings for general education
 - Evaluate course sequencing and scheduling
 - Focus on learning outcomes
- Increase options for distance-based delivery

Improve 'Learning Productivity'

- Increase in student retention and graduation
- Reduce excess credits accumulated to the degree
- Increase credit-by-exam
- Increase distance-based learning programs
- Increase proportion of graduates who meet goals for critical learning
- Increase proportion of students who remain – and are employed – in state

Invest in Areas That Improve Student Access & Success

- Allocate instructional resources to areas of high student attrition (lower division instruction in most places)
- Ensure adequate resources for student services
 - Advising, course sequencing, peer support
- Invest in first-year programs for at risk students
 - Learning communities, bridge programs
- Expand opportunities for undergraduate service learning and research
- Increase work-study via internships, campus employment, community service placements

Address the Public Value Proposition

- Essential to reinvestment of public resources and continued credibility
- Communication strategy about value: resources and quality
- Document strategies for improving cost-effectiveness and productivity
- Engage boards in oversight for value agenda
- Translate goals, progress, and evidence of effectiveness to public audiences

- Integrate academic and fiscal policy around attainment agenda
- Re-boot budget and costs management practices
- Address cost structures on academic *and* administrative side
- Improve learning productivity
- Invest in areas that improve student success including high quality learning outcomes
- Address the public value proposition