The Necessary State Responses

Dennis Jones
USC Center for Enrollment Research, Policy and Practice
“What Matters Now? College Access and Success in the Age of Obama”
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

Source: OECD, *Education at a Glance 2008*
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

US = 21,578,765

California 2,123,105
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
USC Center for Enrollment Research, Policy and Practice
“What Matters Now? College Access and Success in the Age of Obama”
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
Re-Cap

- 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