

# The Performance and State Policies Of Higher Education in Maryland: Insights from a Five-State Policy Review Project

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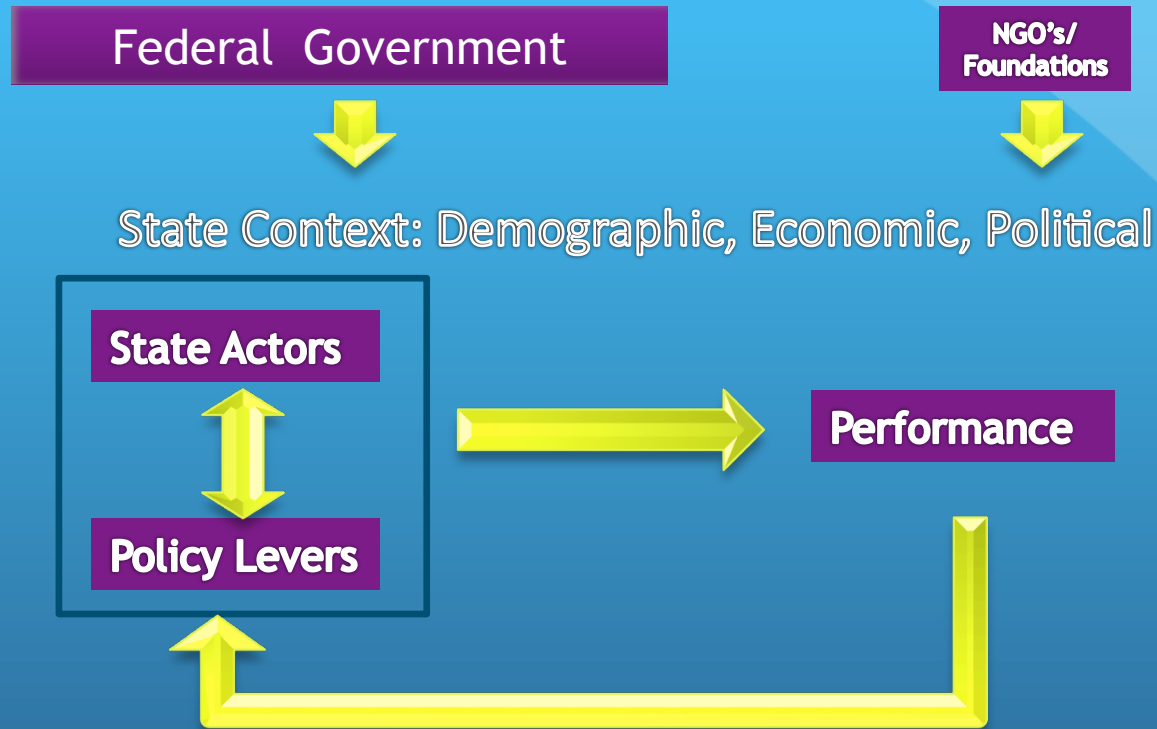
# What We Know about State Higher Education Performance

## *Measuring Up* - Biennial state-by-state report card

- Identifies state performance on indicators of:
  - ✓ Preparation
  - ✓ Participation
  - ✓ Completion
  - ✓ Affordability
  - ✓ Benefits
- Does not reveal:
  - Reasons for high or low performance
  - Reasons for changes in performance



# Conceptual Model



Overarching Research Question:  
What is the relationship between state policy and higher education performance?

# Research Questions

1. What is the performance of higher education? How has performance changed over time?
2. What is the context that informs higher education performance? How are aspects of context changing? How does the state context influence the policy options considered?
3. What policy levers have been used?
4. What is the relationship between policy levers and higher education performance?



# Methods: Case Study Research

## 5 States

- Georgia
- Illinois
- Washington
- Texas
- Maryland

## Data Sources

- Quantitative data
- Reports and documents
- Interviews

## Data Analysis

- Case study report for each state
- Cross-case analysis

## Number of Interviewees Per State

Perspective	GA	IL	WA	TX	MD
State Higher Education Leadership	18	13	22	9	14
State Political Leadership	4	5	8	10	4
Institutional Leadership	6	6	8	8	4
K-12 and P-16/P-20 Education Leadership	4	1	2	1	1
Business/Research/Philanthropic Leadership	1	1	4	2	1
Other Participants	3	3	4	4	1
TOTAL	36	29	48	34	25

# Annual Percentage Increase in Degrees Required to Reach International Competitiveness Goals by 2020

Annual Increase in Degrees for 55% of 25- to 64-Year Olds to Have at Least an Associate's Degree

State	Current % of Adults with College Degrees	Annual Percentage Increase Required
Georgia	36%	10.0%
Illinois	41%	5.4%
Maryland	44%	5.1%
Texas	33%	11.5%
Washington	42%	6.2%
Total - U.S.	38%	7.9%

Source: Analyses by the National Center for Higher Education Management Systems

# Roles of Different Sectors In The State's System of Higher Education

Distribution of Total 12-Month Enrollment in Degree-Granting Institutions:  
Fall 2008

State	Public 4- year	Public 2- year	Private NFP	Private For-Profit
Georgia	44%	35%	12%	10%
Illinois	17%	52%	20%	10%
Maryland	42%	41%	15%	2%
Texas	36%	51%	8%	5%
Washington	41%	47%	9%	3%
Total - U.S.	34%	39%	17%	10%

Source: National Center for Education Statistics, *Digest of Education Statistics 2010*



# Degree Shortfalls Without Educating Adults?

32 of 50 states cannot reach international competitiveness goals without increasing degree attainment among adults

State	Need to Educate Adults?
Georgia	Yes
Illinois	
Maryland	Yes
Texas	Yes
Washington	

Source: Council for Adult and Experiential Learning (2008)

# Higher Education Performance in Maryland

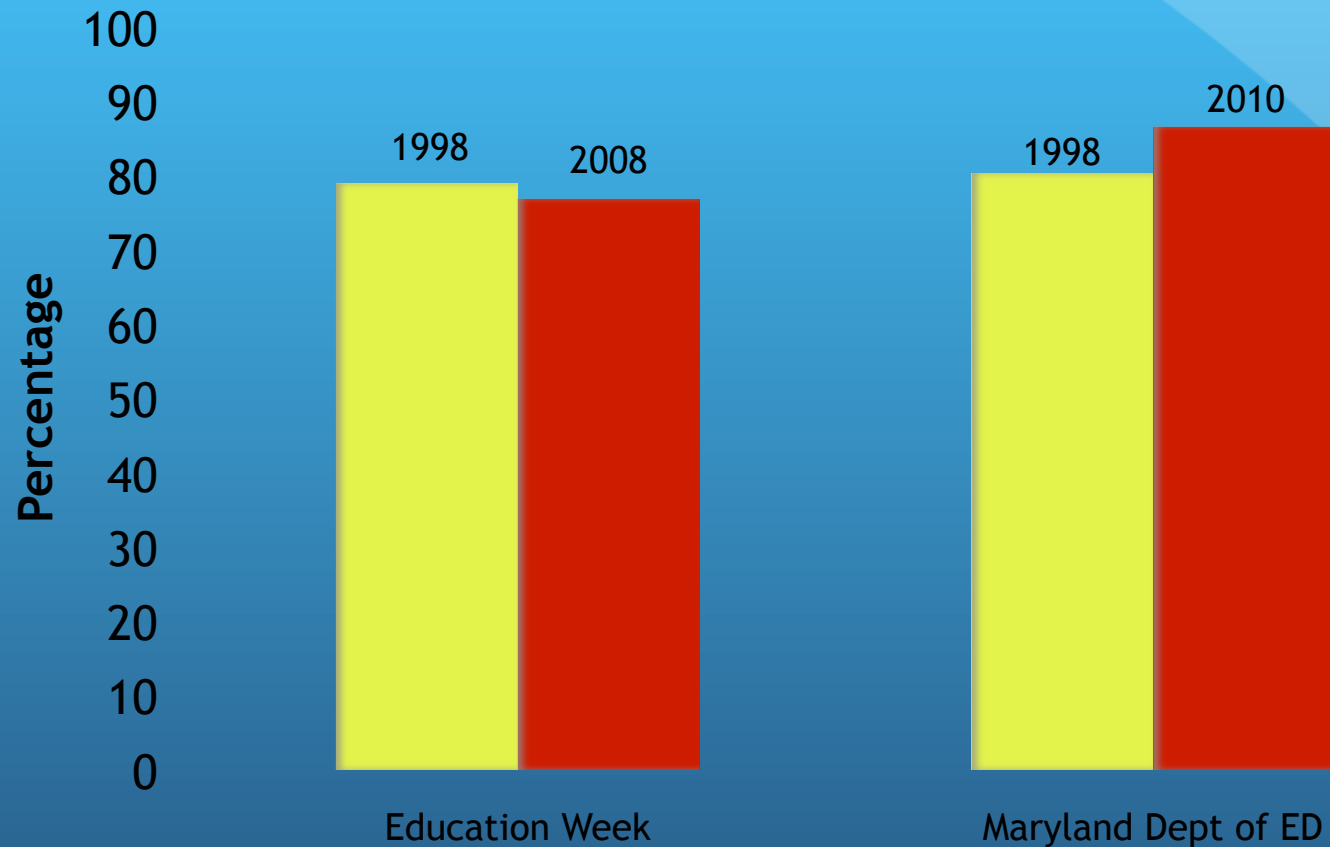
## Above average on several performance indicators

- Academic Preparation
- Participation
- Transfer/Completion
- Research

## But - performance is:

- Lower than expected given wealth and educational attainment of population
- Insufficient to reach international competitiveness levels
- Below state goals
- Lower for Blacks and Hispanics

# H.S. Graduation Rates in Maryland Have Increased But Lag Top-States

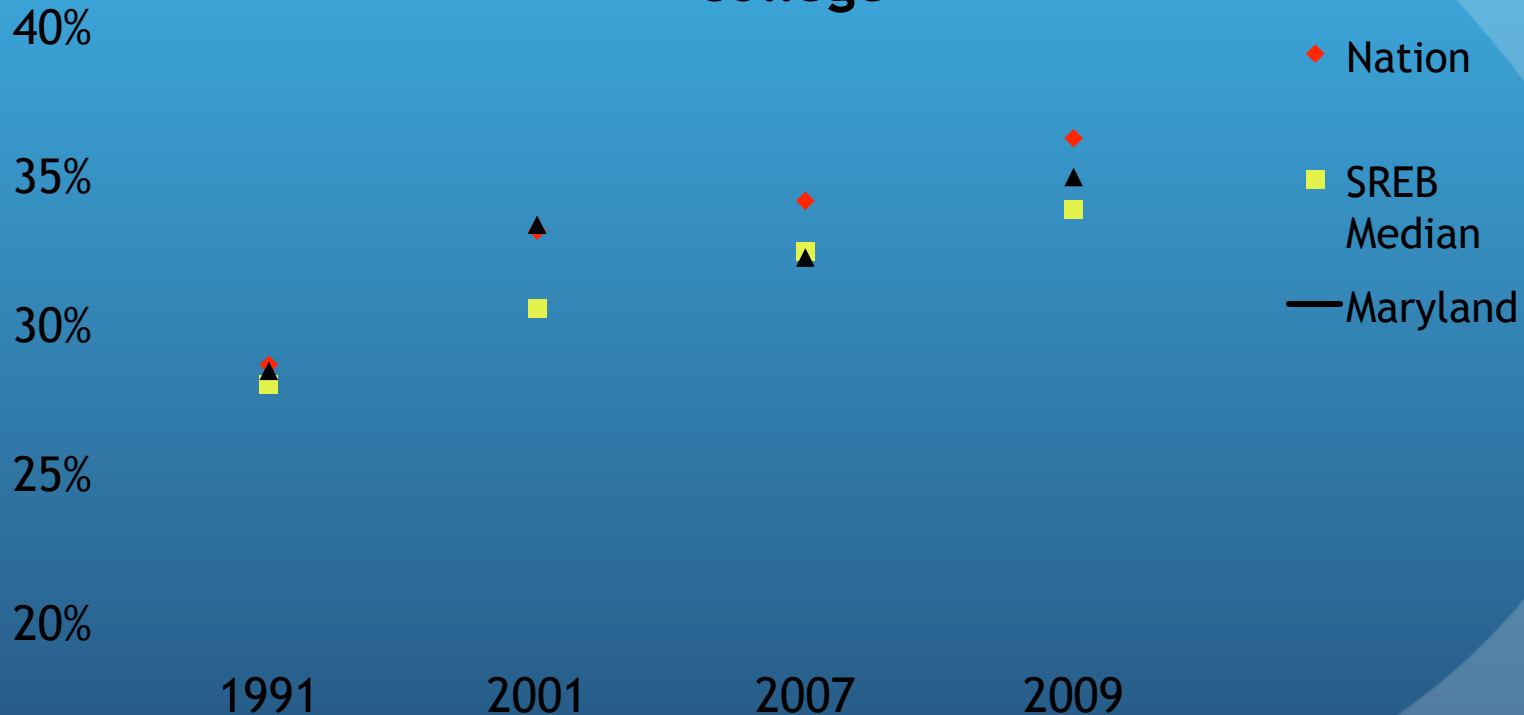


Sources: *Education week*, “Diplomas Count 2011” (Bethesda, MD: 2011),  
<http://www.edweek.org/ew/dc/index.html>

Maryland State Department of Education,  
<http://msp2010.msde.state.md.us/Graduation.aspx?K=99AAAA&WDATA=state>

# College Participation in Maryland Has Increased But Lags Top States

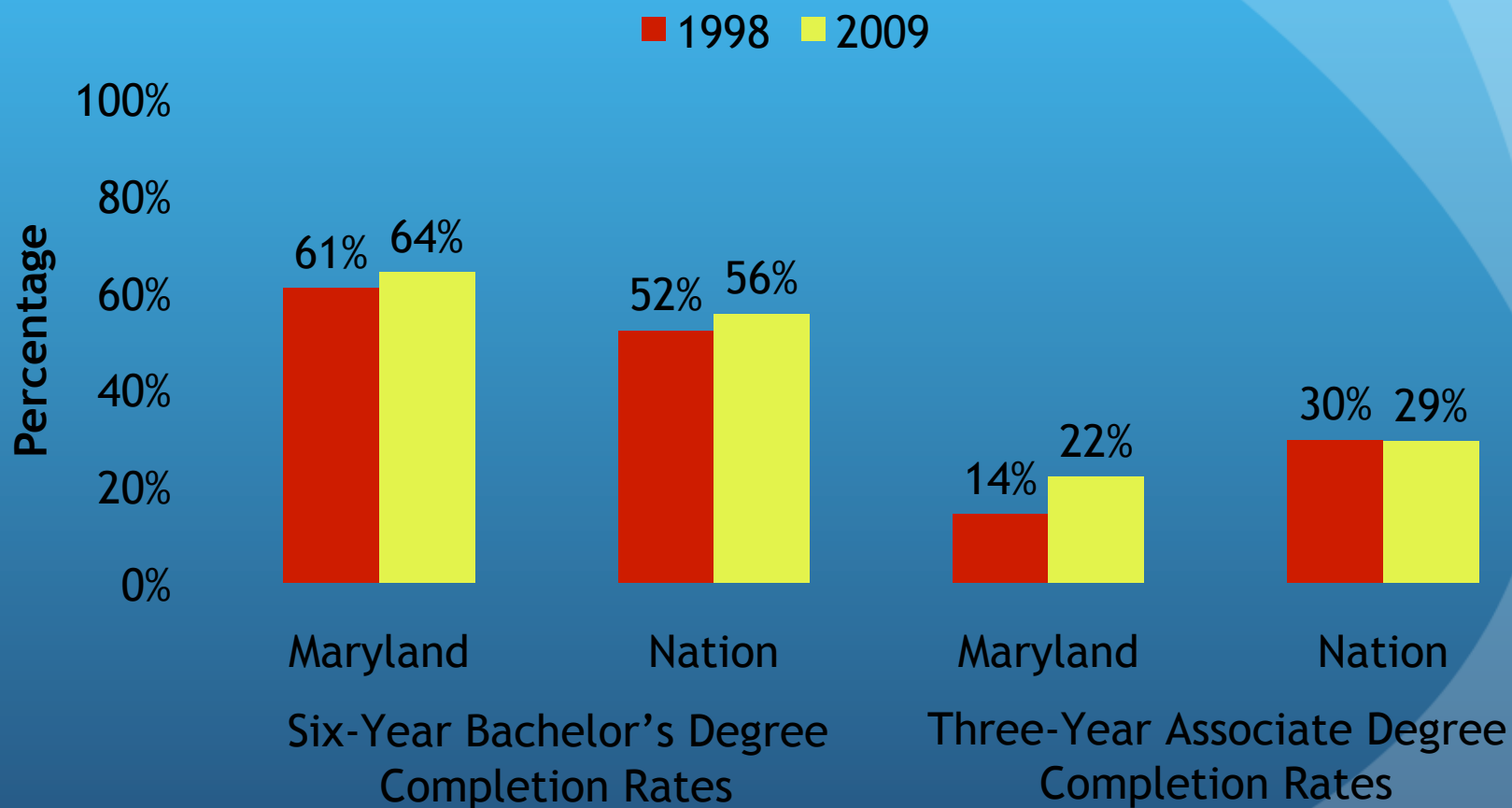
Percent of 18 to 24 year olds enrolled in college



Source: NCHEMS, "Percent of 18 to 24 year olds enrolled in college," 2011, <http://www.higheredinfo.org/dbrowser/index.php?measure=104>, accessed November 5, 2011.

# Maryland's Bachelor's Degree Completion Rates Are Above Average, But Associate's Degree Completion Rates Are Below Average, 1998 to 2009

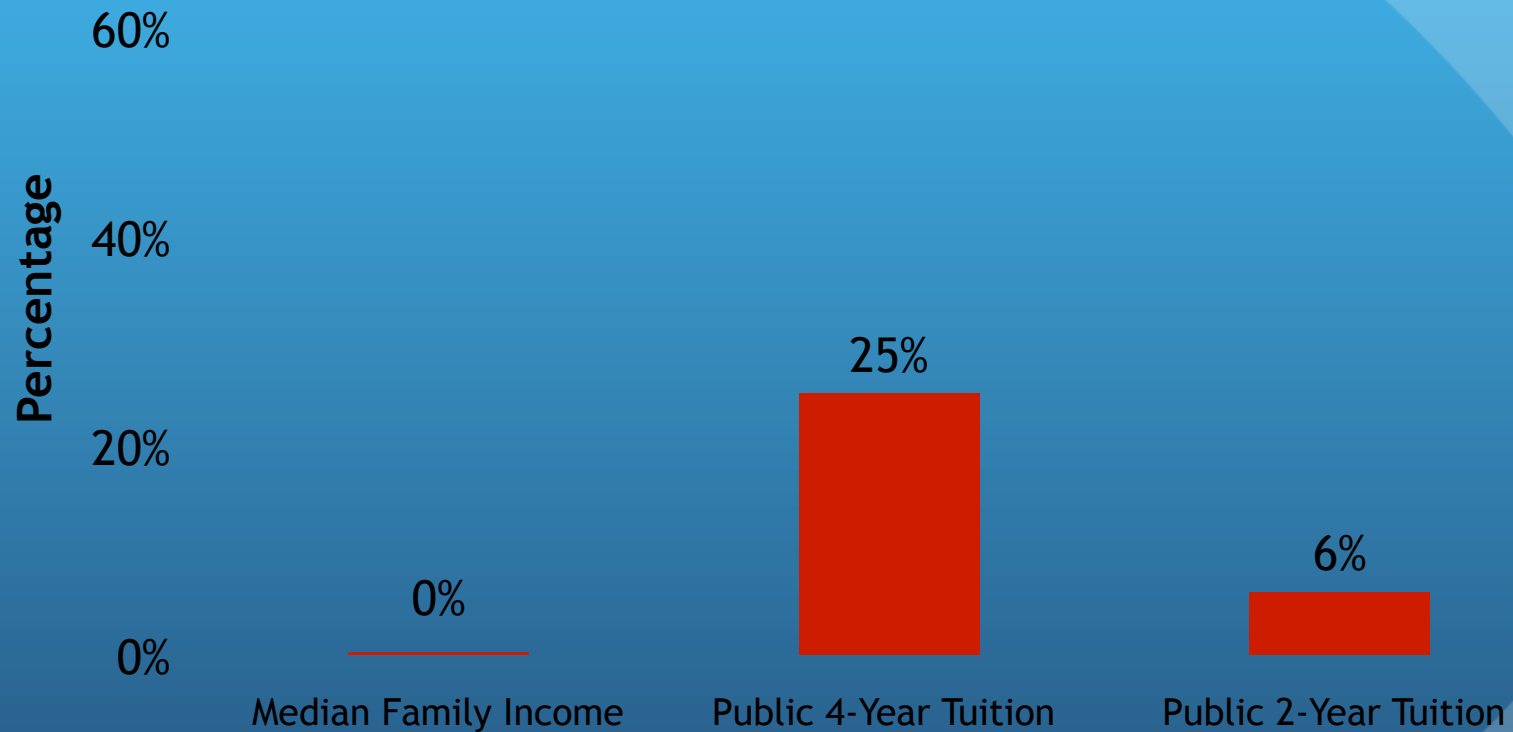
## Degree Completion Rates, 1998 to 2009



Source: National Center for Higher Education Management Systems, [www.higheredinfo.org](http://www.higheredinfo.org)

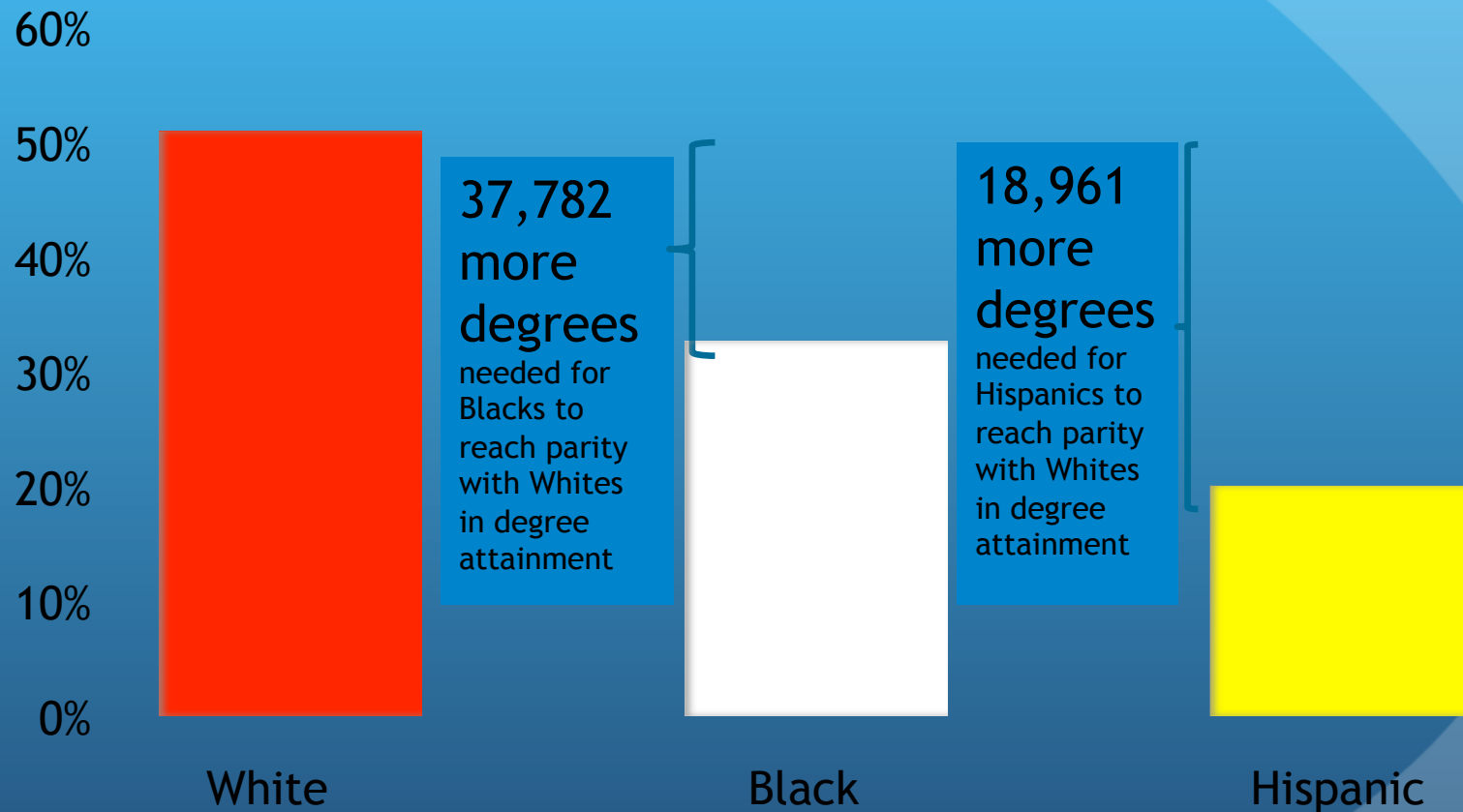
# College Affordability in Maryland Has Declined

Change in Constant Dollars, 1999 - 2009



Source: National Center for Public Policy and Higher Education (2011). *Affordability and transfer: Critical to increasing baccalaureate degree completion*. San Jose, CA: Author.

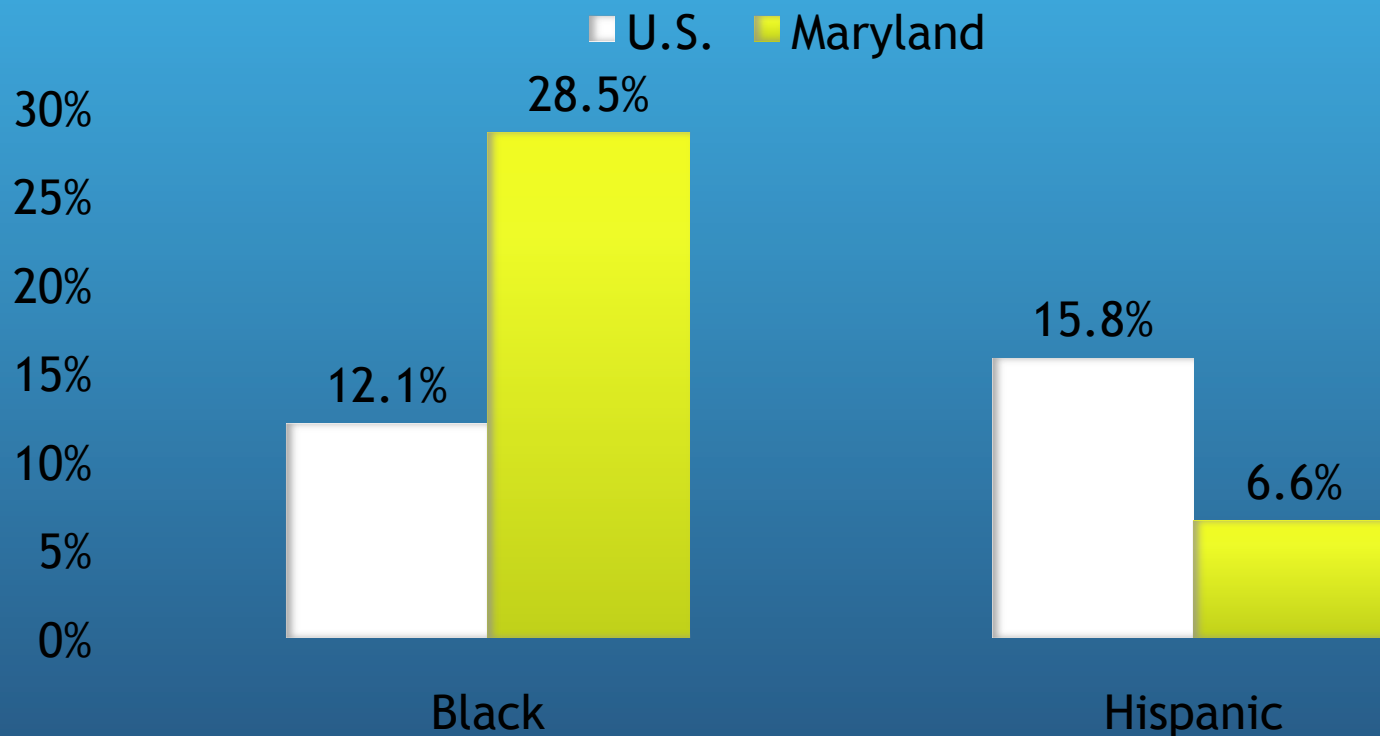
# Outcomes are Lower for Blacks and Hispanics than Whites in Maryland



Source: National Center for Higher Education Management Systems, 2007

# Importance of Improving Performance in Maryland: Demographic Characteristics

## Racial/Ethnic Composition of Population: 2009

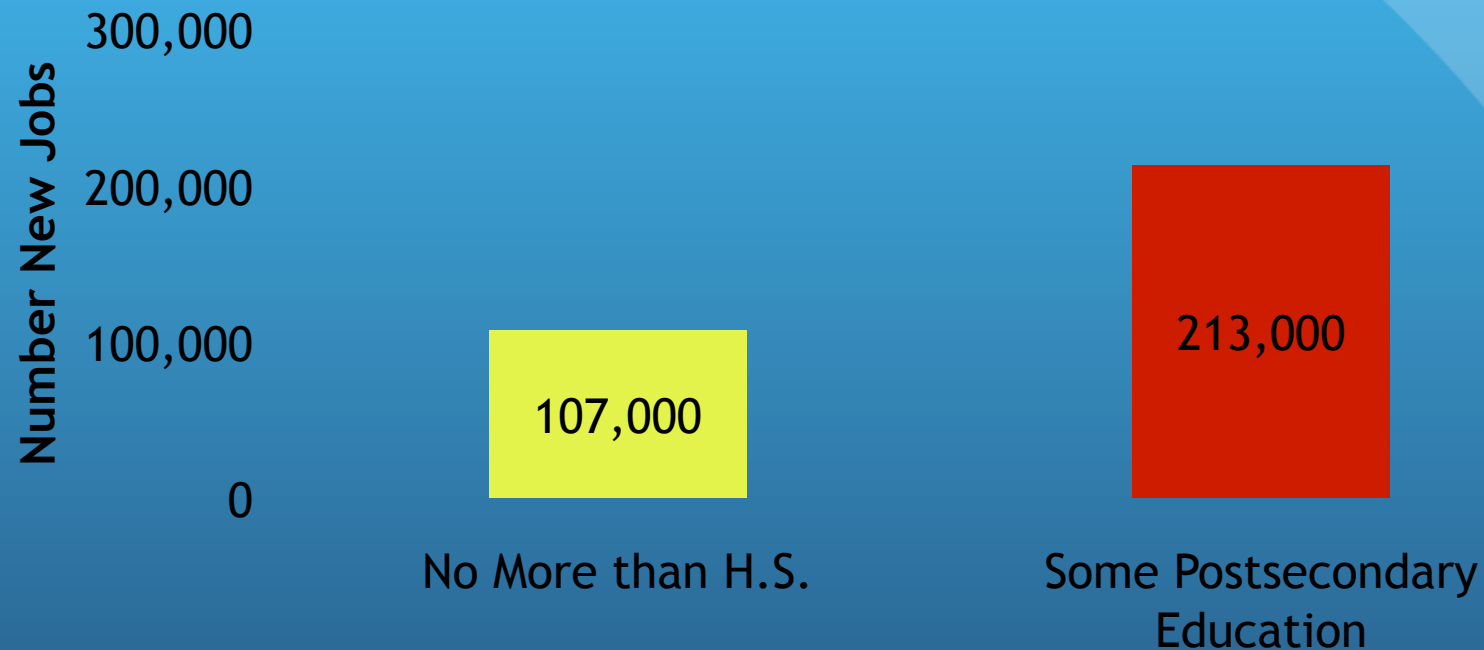


Source: U. S. Census Bureau, American Community Survey Demographic and Housing Estimates, 2005-2009



# Importance of Improving Performance in Maryland: Workforce Demands

## Projected Growth in Jobs in Maryland By Level of Education Required: 2008 to 2018



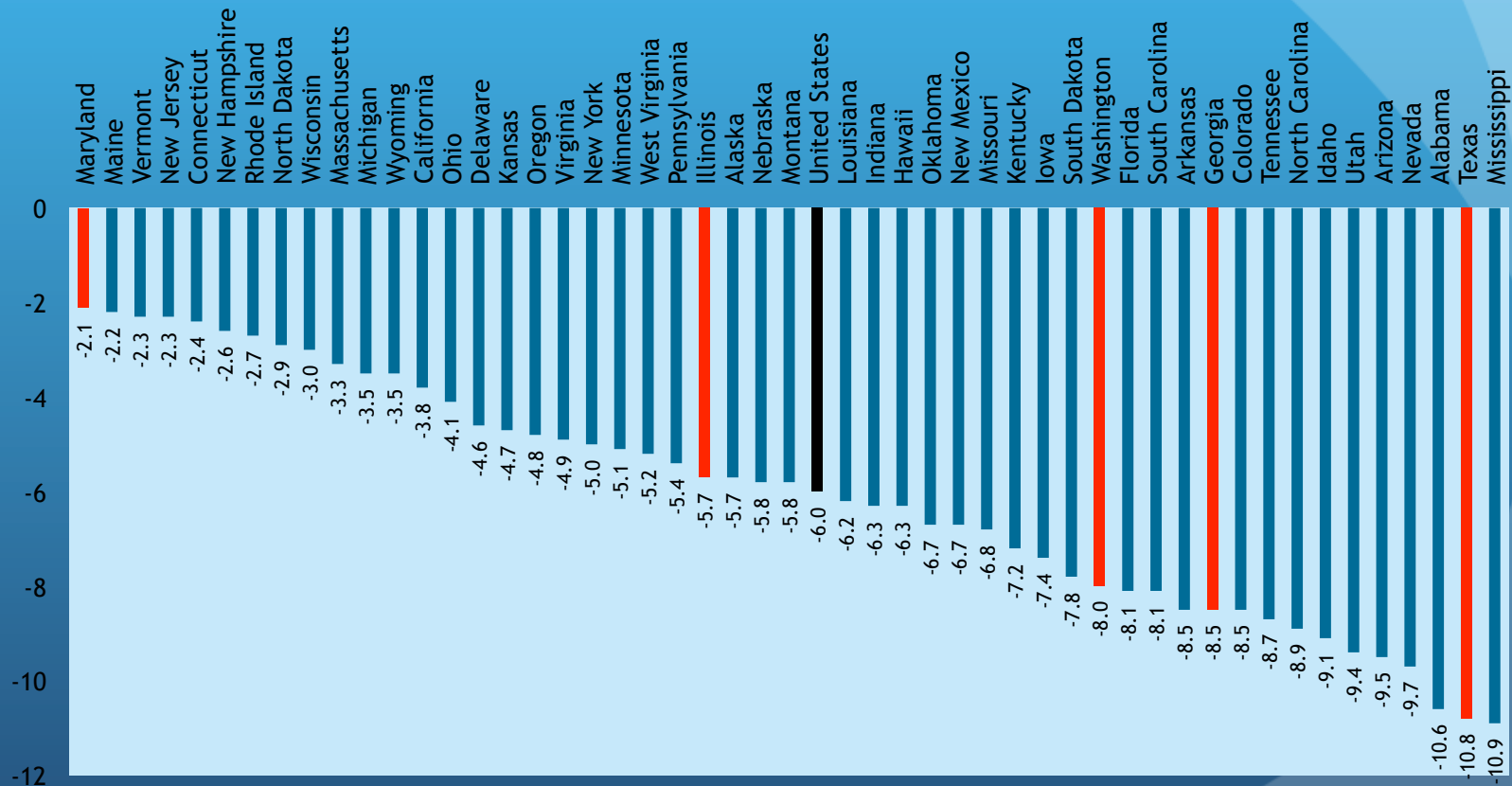
Source: Carnevale, A., Smith, N., & Stroh., J. (2010). *Help wanted: Projections of Jobs and Education Requirements through 2018*. Washington, DC: Georgetown Univ.

# Need to Improve Performance Despite Fiscal Resource Constraints

- Declines in state revenues in recent years =  
Declines in higher education appropriations
- Future state budget cuts likely given projected structural deficits
- Governor O'Malley:
  - *The ongoing financial crisis has called upon us to re-imagine what a government can do well, and to redesign better ways to serve and protect the people of Maryland as we move forward.*

# Structural Budget Deficits = More Cuts

## Projected State and Local Budget Deficit as a Percent of Revenues, 2016



Source: Don Boyd, Rockefeller Institute of Government, 2009. Analysis completed for the National Center for Higher Education Management Systems.

## What Explains Higher Education Performance in Maryland?

- Stable and respected political and higher education leadership
- Awareness of need for collaboration and cooperation across educational sectors and levels
- Continued challenges in resolving history of racism and segregation
- Strategic use of available fiscal resources

# Theme 1: Stable and Respected Political and Higher Education Leadership

Highly educated population that understands and values higher education

History of clearly articulated shared statewide goals and priorities

Not without tension (as discussed in theme 3)

But: collective sense of civic mindedness and record of collaboration

## Theme 2: Heightened Awareness of Need for Collaboration and Cooperation Across Educational Sectors and Levels - Although More Action Required

- Governor's P-20 Leadership Council
- Attention to articulation and transfer
- Availability and use of data

# Governor's P-20 Leadership Council

## PreK-16 Partnership established in 1995

- Maryland Higher Education Commission
- Maryland State Department of Education
- University System of Maryland

## Renamed P-20 Leadership Council in 2007

- Added:
  - Department Labor, Licensing, and Regulation
  - Department Business and Economic Development
  - Legislative members
- Governor = chair

# Challenges of P-20 Leadership Council

## Implement Recommendations

- *The P-20 Council has looked at many of the major issues you would expect. I think that funding may be a part of the challenge. It's putting the dollars and the legislative muscle and policy behind some of these things once they're studied, once they're put into a report, and then identify people who are responsible for staying on them. (State Leader)*

## Improve Alignment of High School Assessments and College Readiness Indicators

- PARCC (Partnership for Assessment of Readiness for College and Career Consortium)



# Attention to Articulation and Transfer

Associate of Arts in Teaching (2001);  
Associate of Science in Engineering

- Outcomes based
- Facilitate transfer; encourage associate's degree completion

## State Law

- Guaranteed admission to USM institution of choice if 56 credits or associate's degree (with 2.0 GPA) at public institution

## General Education and Transfer Regulations

- Core package of general education transferrable across public colleges and universities
- Institutions led; MHEC approved

## USM's online articulation system (ARTSYS), 1993

- Identifies courses that transfer between specific institutions

## Availability and Use of Data

### Student Outcome and Achievement (SOAR) Report

- Annual report since 1990
- Provides feedback to K-12 sector on college performance of grads

### BUT: Separate data systems for each sector

- Linking = 4<sup>th</sup> goal of MHEC's strategic plan
- SB 275 (2010) requires “fully operational” longitudinal data system by December 31, 2014
- Part of Race to the Top proposal

## Theme 3: Continued Challenges in Resolving History of Racism and Segregation in Higher Ed

Maryland operated racially segregated higher education system prior to *Brown v. Board of Education*

- 2000 Partnership Agreement - 9 goals
  - State efforts to increase funding to HBIs
- Still under Office of Civil Rights Oversight
- Current lawsuit

## Disagreements About Program Duplication Between Morgan State and USM

State Funding Commission recommended:

*approved institutional missions be more clear and explicit and that the new programs should only be approved contingent on the availability of State funding and that funding should be earmarked*

TWIs argue unable to offer programs that meet student and employer demand and improve institutional competitiveness

*The new program review process is subjected to too much politics and not about the workforce needs in the state.*

(Institutional Leader)

## Theme 4: Strategic Use of Available Fiscal Resources To Address State Goals

Commission to Develop the Maryland Model for Funding Higher Education (created 2006; final report 2008)

- Goal: “link State support to institutions of higher education, tuition, and levels of institutional and State financial aid to serve student access and the needs of the State”

MHEC’s 2009 strategic plan - primary recommendation =

- Implement proposed funding model

## Theme 4: Strategic Use of Available Fiscal Resources To Address State Goals

### Strengths - Efforts to:

- Link appropriations and tuition
- Use investment funds to reduce volatility in appropriations
- Reduce costs and improve efficiency
- Link appropriations for different sectors

### Weaknesses:

- Low funding for need-based financial aid
- Few fiscal incentives for institutions to meet statewide goals

## Link Appropriations and Tuition to Improve Affordability

- Public 4-Year Institutions have tuition-setting autonomy, BUT recent tuition increases negotiated with Governor
- Governor and legislature worked with public 4-year institutions to freeze undergraduate resident tuition between 2006-07 and 2009-10
- Since elected in 2007, Governor O'Malley has “bought down” increases in tuition with appropriations
- Funding Commission recommended benchmarking tuition to 50<sup>th</sup> percentile of comparable institutions
- Tuition Stabilization Trust Account established 2010
  - Limits UG tuition increases at public four-year institutions to increases in median family income

# Use State Investment Funds to Reduce Volatility in State Appropriations

## Higher Education Investment Fund

- Recommended by Funding Commission
- Created by Governor and legislature in 2008; Permanently authorized in 2010
- Funded by increase in corporate income tax
- Uses:
  - Supplement general fund appropriations to public 4-year institutions
  - Fund capital projects for public 4-year institutions
  - Fund workforce development initiatives administered by MHEC



# Reduce Costs and Improve Efficiency

## USM's Effectiveness and Efficiency Initiative

- Emerged after substantial cut in state appropriations to USM by Governor Ehrlich in 2003
- Requires USM institutions to limit number of credits required for a bachelor's degree to 120
- Includes redesign of developmental and other gatekeeper courses

## Link Appropriations for Different Sectors

- Funding for public four-year institutions drives appropriations for other sectors
  - Joseph A. Sellinger Program; John A. Cade Formula
- State appropriations determined separately for:
  - Morgan State University, St. Mary's College of Maryland, and Baltimore County Community College
- Advantages:
  - Encourages higher education to speak with one voice on state funding
  - Appropriations also benchmarked to funding of peer institutions in other states (aka “funding guidelines”)
- Weaknesses:
  - Rewards enrollments

## Low Investment in Large Number of Financial Aid Programs

- Funding Commission recommends “*high* State need-based financial aid,” benchmarked to competitor states
- Historically, relatively small amounts invested in need-based aid
- Large number of discrete state aid programs:
  - Merit-based aid programs
  - Workforce-shortage grants
  - Part-time grant program
  - Aid for armed services personnel
  - Legislative scholarships

## Few Fiscal Incentives for Institutions to Meet Statewide Goals and Priorities

- State approach to funding higher education driven by enrollment growth not public agenda
- State funding not used to incentivize improvements in performance
  - “Managing for Results” accountability report required by state Department of Budget and Management annually

# Conclusions For Maryland

- Strong upward trajectory of performance
  - But - improvement needed to meet international competitiveness & workforce goals
  - Achieving goals requires improving educational success of Blacks and Hispanics
- Tensions around program duplication pose challenge
- Well-developed plan for financing higher education supported by key stakeholders; being implemented
  - Current fiscal challenges may restrict continued progress
- Concerted and united effort of Governor, Legislature, and institutional leaders required