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
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

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

<table>
<thead>
<tr>
<th>State</th>
<th>Current % of Adults with College Degrees</th>
<th>Annual Percentage Increase Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>36%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Illinois</td>
<td>41%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Maryland</td>
<td>44%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Texas</td>
<td>33%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Washington</td>
<td>42%</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>Total - U.S.</strong></td>
<td><strong>38%</strong></td>
<td><strong>7.9%</strong></td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>State</th>
<th>Need to Educate Adults?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>Yes</td>
</tr>
<tr>
<td>Illinois</td>
<td></td>
</tr>
<tr>
<td>Maryland</td>
<td>Yes</td>
</tr>
<tr>
<td>Texas</td>
<td>Yes</td>
</tr>
<tr>
<td>Washington</td>
<td></td>
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</tbody>
</table>

Source: Council for Adult and Experiential Learning (2008)
Higher Education Performance in Texas

State has made progress on several performance indicators

- Academic Preparation
- Participation
- Transfer/Completion

But - performance is:

- Insufficient to reach international competitiveness levels
- Well below state goals
- Lower for Blacks and Hispanics
H.S. Graduation Rates in Texas Have Not Improved Over Time

* Data are not comparable across years due to a change in definitions
Sources: *Education week*, “Diplomas Count 2011” (Bethesda, MD: 2011),
College Participation in Texas Increased But Lags Nation and Region

Texas’s Bachelor’s and Associate’s Degree Completion Rates Have Improved, But Remain Below Average

Degree Completion Rates, 1998 to 2009

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Six-Year</td>
<td>45%</td>
<td>49%</td>
</tr>
<tr>
<td>Nation Six-Year</td>
<td>52%</td>
<td>56%</td>
</tr>
<tr>
<td>Texas Three-Year</td>
<td>16%</td>
<td>25%</td>
</tr>
<tr>
<td>Nation Three-Year</td>
<td>30%</td>
<td>29%</td>
</tr>
</tbody>
</table>

College Affordability in Texas Has Declined

Change in Constant Dollars, 1999 - 2009

- Median Family Income: -1%
- Public 4-Year Tuition: 86%
- Public 2-Year Tuition: 31%

Outcomes are Lower for Blacks and Hispanics than Whites in Texas

53,755 more degrees needed for Blacks to reach parity with Whites in degree attainment

388,863 more degrees needed for Hispanics to reach parity with Whites in degree attainment

Importance of Improving Performance in Texas: Demographic Characteristics


- **Black**: U.S. 12.1% vs. Texas 11.3%
- **Hispanic**: U.S. 15.8% vs. Texas 35.9%

Source: U. S. Census Bureau, American Community Survey Demographic and Housing Estimates, 2005-2009
Importance of Improving Performance in Texas: Workforce Demands

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

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

You know we were one of the last states to really go into recession. And so I think we felt like...there would be some cuts involved, but it wouldn’t be too serious. But as we’ve gone into the recession and we’ve...bottomed out like the rest of the economy, we’ve been pretty flat...So I think as this drags out, we’re now looking at a more serious situation and I think the level of cuts will be some of what some other states had to do.

- State Leader
Structural Budget Deficits = More Cuts

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

What Explains Higher Education Performance in Texas?

**Unrecognized trade-offs**: ambitious goal to expand seven emerging research universities and to redirect public endowment funds

**Affordability and aid**: low tuition is gone, leaving only low financial aid

**Racial and economic disparities**: Marked inequities in college readiness by race/ethnicity and income

**Regional Differences**: sharp differences across regions has made it difficult to develop statewide improvements

**Community Colleges**: state lacks coherent policies for meeting needs of sector that enrolls half of all students
Theme 1: Ambitious Goal to Expand Seven Emerging Research Universities and Redirect Public Endowment Funds

*Closing the Gaps* (2000): sets goals to increase prestige of research institutions (Excellence) and attract more federal dollars (Research)

*HB 51* (2009): supports the Excellence and Research Goals established in *Closing the Gaps*
  - Repurposes existing endowment to National Research University Fund (NRUF)
  - Establishes benchmarks of research performance and program quality
  - Requires research institutions to draft long-term strategic plan
Theme 2: Higher Education is Less Affordable

Tuition deregulation at public four-year institutions = significant tuition increases
(despite careful legislative oversight)
• Texas was a low-tuition and low-aid state
• Spring 2004: public 4-Yr’s authorized to set their own tuition
• Many cited informal pressure to control tuition from the Legislature and Governor however…
• Between 2003 to 2009: academic charges increased 72%

Although the Legislature has increased aid, aid has not kept pace = no longer low tuition yet low aid
### Theme 3: Marked inequities by race/ethnicity and income

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Educational Attainment:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least an associates (age 25-34)</td>
<td>43%</td>
<td>28%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Preparation/College Readiness:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrolled in advanced courses or dual enrollment courses</td>
<td>29%</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Upperclassmen who took at least one AP or IB exam</td>
<td>25%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>Proficient in English Language Arts</td>
<td>70%</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>Proficient in Mathematics</td>
<td>78%</td>
<td>49%</td>
<td>58%</td>
</tr>
<tr>
<td>At or above proficient on the 8th-grade national math assessment</td>
<td>51%</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

Texas has been recognized as a national leader in working on college readiness - but needs to build on its efforts.

2001 - “Recommended” high school program becomes the default curriculum in public schools (HB 1144)

2006 - THECB and TEA are required to appoint vertical teams that would establish college readiness standards for ELA and math courses

2007 - “End-of course” assessment for secondary-level courses are developed in over 10 courses (SB 1031)
Theme 4: Regional Challenges and Needs Make Statewide Goals Difficult to Achieve

Vast tracts of rural land

6 of the nation’s 100 largest metropolitan areas

Five large regions are critical to increasing degree attainment
  - Large and growing at-risk population
  - Low educational attainment
  - Emerging favorable conditions for reform in higher education

Source: FSG Social Impact Consultants, Texas regional action plan for postsecondary completion (2011)
Theme 5: Lack of State Policy for Addressing the Fiscal Needs of Community Colleges that Serve Low-Income Communities

The importance of local taxes has increased as state support has declined.

Communities vote to be annexed into a taxing district, allowing residents to pay lower “in-district” tuition.

There is wide variation in the tax base of the 50 community college districts.

The state has not developed policies to assist community colleges in expanding their service areas.
Conclusions For Texas

Size and rapid growth of Texas’s population underscore the need to improve educational attainment.

I think the state will have trouble coming to grips as we move to a population that is more and more dominated by groups that have not traditionally gone through higher education...That’s going to be a problem and is something I think we can head off now by having the right policies to ensure that this population is attaining the education that will help support that...economy of the future.

- Institutional Leader
Hard Choices Ahead

Tension between access and completion versus institutional prestige and more federal research dollars.

Funding formula unintentionally incents institutions to enroll students for master’s and doctoral programs, than increase access for high school graduates.

Community college fiscal needs not met despite their huge role in postsecondary education.

Need to balance regional needs and statewide priorities.