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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
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>
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<tbody>
<tr>
<td>State Higher Education Leadership</td>
<td>18</td>
<td>13</td>
<td>22</td>
<td>9</td>
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<td>State Political Leadership</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>10</td>
<td>4</td>
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<td>Institutional Leadership</td>
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<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>
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<tr>
<td>Other Participants</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>1</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>36</td>
<td>29</td>
<td>48</td>
<td>34</td>
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</tbody>
</table>
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>
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<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>Total - U.S.</td>
<td>38%</td>
<td>7.9%</td>
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</table>

Source: Analyses by 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>
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<tbody>
<tr>
<td>Georgia</td>
<td>44%</td>
<td>35%</td>
<td>12%</td>
<td>10%</td>
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<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><strong>Total - U.S.</strong></td>
<td><strong>34%</strong></td>
<td><strong>39%</strong></td>
<td><strong>17%</strong></td>
<td><strong>10%</strong></td>
</tr>
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</table>

Source: National Center for Education Statistics, *Digest of Education Statistics 2010*
Higher Education Performance in Washington

- Improvement, but below top-performing states in preparation and participation

- Leading state in bachelor’s degree completion, but low bachelor’s degree production

- Gaps in performance:
  - Lower outcomes for Hispanics and Blacks
  - Regional differences in higher education access
High School Graduation Rates In Washington Have Declined

Office of Superintendent of Public Instruction
http://www.k12.wa.us/dataadmin/
College Participation in Washington Is Virtually Unchanged

Percent of 18 to 24 year olds enrolled in college

College Affordability in Washington Has Declined

Change in Constant Dollars, 1999 - 2009

-2%  40%  42%

Median Family Income  Public 4-Year Tuition  Public 2-Year Tuition

Washington Is a National Leader in Bachelor’s Degree Completion Rates

Change in Completion Rates, 1998 to 2009

- **Washington**
  - Six-Year Bachelor’s Degree Completion Rates: 61% in 1998, 63% in 2009
  - Three-Year Associate Degree Completion Rates: 30% in 1998, 33% in 2009

- **Nation**
  - Six-Year Bachelor’s Degree Completion Rates: 52% in 1998, 56% in 2009
  - Three-Year Associate Degree Completion Rates: 30% in 1998, 29% in 2009

But: Washington Lags Other States in Bachelor’s Degree Production

Number of Bachelor’s Degrees Produced Per Capita, 2005-06

Washington: 21.3
Nation: 24.0

Outcomes Are Lower for Blacks and Hispanics than Whites in Washington

Percentage of Adults in Washington With at Least an Associate's Degree, 2007

- White: 50%
- Black: 40% + 2,569 more degrees needed for Blacks to reach parity with Whites in degree attainment
- Hispanic: 30% + 29,831 more degrees needed for Hispanics to reach parity with Whites in degree attainment

Importance of Improving Performance: Workforce Demands

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

Number New Jobs

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>No More than H.S.</td>
<td>107,000</td>
</tr>
<tr>
<td>Some Postsecondary Education</td>
<td>259,000</td>
</tr>
</tbody>
</table>

Importance of Improving Performance: Demographic Characteristics & Trends


- **Black**:
  - U.S.: 12%
  - Washington: 3%

- **Hispanic**:
  - U.S.: 15%
  - Washington: 10%

Source: U.S. Census Bureau, American Community Survey Demographic and Housing Estimates, 2005-2009
Challenge to Improving Performance: Fiscal Resource Constraints

- Severe declines in state revenues = Declines in higher education appropriations
- 2011-2013 budget reduces appropriations to public 4-year institutions by 24% over 2007-09 and assumes 20% increase in tuition
- Further cuts to 2011-13 biennium budget, given lower than expected state revenues
- State budget cuts will likely continue given projected structural deficits
- State residents have little appetite for increasing taxes
Structural Budget Deficits = More Cuts

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

Explanations for Performance in Washington

Lack of political commitment to implementing a statewide plan for higher education

Insufficient Strategies to Support Student Readiness for and Participation in Bachelor’s Degree Programs

Decline in the strategic use of available fiscal resources to achieve statewide goals and priorities
Theme 1: Lack of Political Commitment to Implementing a Statewide Plan for Higher Education

State Planning has Produced Little Change in State Policies

Attempts to Create Structural Changes in Governance Lack Clear Goals
State Planning has Produced Little Change in State Policies

Washington Learns: Recommendations issued 2006
- Legislature acted on 6 of 7 recommendations;
  - Did not act on recommendation to “provide high school students the opportunity to assess college readiness during the 10th or 11th grade”
- Minimal impact on higher education

2008 Strategic Master Plan for Higher Education
- Criticized for lacking rigor, innovation, and solutions, and including unrealistic goals
- Limited implementation

Policy efforts reflect institutional and sector-based agenda rather than shared statewide perspective
Attempts to Create Structural Changes in Governance Lack Clear Goals

P-20 Council
• Created by Governor (2007) by executive order
• Short lived; no meaningful change in state policy

Department of Education
• Would combine early learning, K-12- and higher education agencies in one cabinet level department
• Proposed by Governor (2011); rejected by Legislature
Elimination of Higher Education Coordinating Board, effective July 2012

To be replaced by: Office of Student Financial Assistance and Council on Higher Education

Implying perceived ineffectiveness of HECB, the law states,

The Legislature further intends to eliminate many of the policy and planning functions of the higher education coordinating board and rededicate those resources to the higher education institutions that provide the core, front-line services associated with instruction and research. Given the unprecedented budget crises the state is facing, the state must take the opportunity to build on the recommendations of the board and use the dollars where they can make the most direct impact.

Theme 2: Insufficient Strategies to Support Student Readiness for and Participation in Bachelor’s Degree Programs

Insufficient Academic Preparation to Enroll in Four-year Institutions

Mismatch Between Population Distribution and Location of Public 4-Year Institutions

Disincentives for Four-Year Institutions to Enroll Transfer Students

Erosion of Community College Missions to Award Bachelor’s Degrees in Applied Science
Insufficient Academic Preparation to Enroll in Four-year Institutions

Well-Regarded, Long-Standing Programs

- Running Start
  - Praised, but few low-income and minority students
- I-BEST program
  - Creates educational pathways for adult learners

BUT: Lack of alignment of high school graduation requirements and college entrance requirements

- New high school graduation requirements to take effect for class of 2016
- New requirements do not ensure that students prepared to meet academic expectations of college
Mismatch Between Population Distribution & Location of Public 4-Year Institutions

Community colleges
• Geographically dispersed; primary point of access

Branch campuses of research universities
• High cost
• Lower than expected enrollments

University centers
• Small numbers participating

Most bachelor’s degrees still produced by research universities (50%) and comprehensive institutions (39%)*

Disincentives for Four-Year Institutions to Enroll Transfer Students

Growth of transfer students puts pressure on the capacity and funding of four-year institutions

*We are trying to figure out how we work with the universities to expand capacity at the upper-division level. That is the pinch point in our state: upper division capacity, not freshman capacity [State Leader]*

Erosion of Community College Missions to Award Bachelor’s Degrees in Applied Science

- Small numbers awarded to date
- May distort community college mission
Theme 3: Decline in the Strategic Use of Available Fiscal Resources to Achieve Statewide Goals and Priorities

Devolution of Tuition Setting Authority

Historic Commitment to Need-Based Student Financial Aid

State Funding to Incentivize Improved Performance
Devolution of Tuition Setting Authority

Legislature historically controlled tuition increases for resident undergraduates
• 2007 Legislature limited increases to 7%
• For 2009-10 and 2010-11, tuition increases capped at 14%

2011 Legislature gave tuition-setting authority to public four-year institutions through 2014-15
Historic Commitment to Need-Based Student Financial Aid

Need-based aid:
- National leader in availability
  - 95% of all state financial aid to UGs need-based*
  - Available for students at private institutions
- Need-based State Work Study Program
- Availability recently challenged by budget shortfalls

State mandate for institutional allocation of aid:
- Public four-year institutions must allocate share of tuition and fee revenues to need-based aid

Alternative state aid program proposed

State Funding to Incentivize Improved Institutional Performance

Student Achievement Initiative
• Developed by community and technical colleges
• Designed to promote accountability, provide financial incentives to improve performance
• Perceived to increase credibility and political leverage of community college sector

Performance funding for public four-year institutions
• Considered; not implemented
• “Performance reporting” system authorized by Legislature May 2011
Conclusions For Washington

• Well-coordinated, well-respected community college system

• High bachelor’s degree completion rates, but too few awarded

• Too few high school students academically prepared for and enroll in four-year institutions

• Plans to improve higher education performance, but not implemented

• Erosion of historical efforts to link appropriations, tuition, and financial aid and devolution of tuition-setting and policy-making to public four-year institutions

• Elimination of Higher Education Coordinating Board may limit policy leadership capacity to pursue a public agenda that is greater than institutional interests