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State Higher Education Executive Officers

The 21st Century Agenda for State Planning and Policy in Higher Education

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State planning and policy for higher education are increasingly focused not on the growth of facilities, institutions, and programs, but on increasing educational attainment, quality, and the productivity of the system.

As the "Baby Boom" generation approached campus doors in the 1960s, strategic planners focused primarily on student demand, geography, and the physical, financial, and human resources necessary to extend higher education opportunity and programs to growing populations and underserved communities (Berdahl, 1971). Twenty years later their successors turned attention to managing the "Baby Bust;" building new markets and managing institutional affairs when neither enrollments nor budgets were growing rapidly (Keller, 1983.) Although the growth and decline of student demand remain relevant (subject to dramatically different demographic trends in individual states), a sea change in the social and economic significance of postsecondary education during the past twenty years has put other, more fundamental issues on the state planning agenda.

From Expansion to Transformation

When low or moderate-skilled manufacturing jobs were plentiful in the American economy, student aspirations and employer requirements could be met if a quarter or a third of the adult population successfully completed a postsecondary degree or certificate. For example, the California Master Plan, perhaps the iconic exemplar of 1960s planning, made the top 12.5 percent of high school graduates eligible for admission to the University of California [UC] system and the top 33 percent of high school graduates eligible for admission to the state college system (now the California State University [CSU] system). All high school graduates could attend junior colleges (now community colleges) and with adequate grades transfer to a public four-year institution. While the California Master Plan was considered ambitious in providing virtually universal access to higher education, its authors clearly expected only a minority of the population to complete baccalaureate degrees (Douglas, 2000).

Over the next forty years degree attainment in the United States grew, but in keeping with these limited aspirations. The percentage of adults aged 25-29 with four or more years of college grew from 11.0% in 1960 to 16.4% (1970), 22.5% (1980), 23.2% (1990), and 27.5% (2000). California citizens fell just a bit below the national average in 2000 with 26.3% achieving four or more years in college (Digest of Educational Statistics, 1999, p. 17 and U.S. Census, 2000).

The dramatic growth rate in degree attainment achieved by the Baby Boom generation between 1960 and 1980 (from 11.0% to 22.5%) clearly tapered off for subsequent cohorts of students. In contrast, the rewards of postsecondary education and employer demands have skyrocketed. In 1975 the average baccalaureate degree holder earned 57% more than the average high school graduate; by 2005 the earnings advantage from a college degree had grown to 86% (U.S. Census, Current Population Survey.)

And current U.S. Department of Labor projections indicate more than 80% of the fastest growing jobs will require postsecondary education.

According to a 2002 survey by the National Center for Educational Statistics, 80 percent of 10th graders say they expect to earn at least a bachelors degree, and half this group (40 percent of all students) expect to earn a graduate or professional degree. Most of the remaining students expect to get some postsecondary education, including vocational or technical credentials. Only 8 percent plan to forgo postsecondary education entirely.Reflecting these aspirations, more than 60% of high school graduates now enroll in postsecondary education immediately after high school (Lingenfelter, et al 2007).

These trends and aspirations have profound implications for public policy and educational practice. Fulfilling the educational aspirations of the next generation would more than double current levels of attainment. Are these aspirations necessary and attainable? If so to any significant degree, they imply not simply the expansion of postsecondary education access, but a *fundamental transformation of expectations as well as improved instructional techniques and support systems*. To increase attainment the system must increase access, reduce the rate of attrition, and increase productivity. Without such changes it is hard to imagine how the United States can achieve unprecedented levels of degree completion – without compromising quality. Although some doubt the feasibility of such improvement, history provides precedents for dramatic increases in educational attainment over generations; also it is easy to find evidence of unrealized intellectual potential.

Why is there demand for increased attainment? Although Peter Drucker's phrase, "the knowledge economy," has become a cliché, the world he envisioned, where knowledge and skill become dominant economic forces, has become a reality (Drucker, 2001). Thomas Friedman, in his cleverly titled book, *The World is Flat,* argued that ten innovations in technology and business practice have reduced the significance of distance and political boundaries, enabling capital and jobs to flow rapidly around the world in search of lower costs and competitive advantage (Friedman, 2005). Geoff Colvin, in *Fortune* observed that U.S. and Western European workers are the most expensive in the world. To justify their cost, and to compete with off-shore, or out-sourced alternatives, U.S. workers must become among the world's best educated (Colvin, 2005).

These economic arguments, reinforced by the growing income benefits associated with education, are powerful, but hardly the entire justification for increasing educational attainment in the United States. Unprecedented political, social, and ecological challenges on a global scale now confront humanity. Each individual must become well educated to achieve a productive, healthful life, and collectively we all must become better educated to cope with the responsibilities of citizenship in an interdependent world.

How is the system responding? The 1983 report *A Nation at* Risk launched a national debate on the need to increase educational attainment, which, with no signs of ending, has persisted for nearly a quarter century. The initial focus of reform was K-12 education, but the spotlight, inevitably perhaps, is turning toward postsecondary education. Between 2004 and the end of 2006, four national reports, sponsored respectively by the Business-Higher Education Council, the State Higher Education Executive Officers, the Secretary of Education, and the National Conference of State Legislatures, have collectively called for expanding participation and improving degree completion, student learning, and productivity in higher education.

Pressure for "reform" in U.S. higher education is a relatively new phenomenon, and denial and defensiveness have been the initial reactions. Higher education in the United States, still considered by many to be the best in world, has plenty of laurels on which to rest. The problem, however, is not a failed system, but a changing environment.

U.S. leaders have long credited vigorous competition among institutions and the system's diversity for its stellar reputation. But single-minded competition within the system for resources and prestige, while useful in a narrow sense for driving achievement, is clearly making it much more difficult to achieve *system-wide* improvement on educational attainment, quality, and productivity.

"Quality" in higher education has long been assessed in terms of inputs – larger endowments, bigger libraries, better students, more prestigious faculty (with larger research grants), lower student-faculty ratios, smaller class sizes, better buildings, and more resources. Various ranking schemes or league tables, (including the annual *U.S. News & World Report* rankings and the Shanghai league tables), rely heavily on such superficial measures of quality. Academic leaders, despite an abundance of scathing scholarly criticism, read the rankings avidly and cite them opportunistically.

Quality inputs, especially students and faculty, are important, of course, but an endless "positional arms race" (Winston, 2001) to outpace one's competitors in the acquisition of inputs inevitably increases costs and degrades productivity. Especially the growth of "tuition discounting" for enrollment management, while occasionally a rational institutional strategy, is patently wasteful from a system perspective. Even at the institutional level, tuition discounting can degrade educational quality by overly constraining funds available for instruction at all but the richest institutions (c.f. Lapovsky 2004, and Baum and Lapovsky, 2006).

Of course, competition and comparisons among institutions, states, and nations are natural, inevitable, and often helpful. Much of the energy invested in strengthening education has been generated by studies which indicate performance is lagging in comparison to others. But the broader national and international

imperative to increase educational attainment requires greater emphasis on educational substance and productivity, not on shifting positions on a league table, especially one based on expenditures and other inputs. Ultimately, only 20 institutions can be ranked in the "top 20;" thousands of effective institutions are needed to meet human needs for learning and new knowledge.

While ranking systems may never lose their appeal, many educators and policy leaders are beginning to look beyond superficial indicators as they seek to address deeper educational goals. Both state initiatives and broader national movements are making contributions.

National movements

A number of "national movements" are influencing and becoming part of state strategies to increase attainment, quality, and productivity. Although each of these warrants more elaboration than is feasible here, a brief summary of the more significant is appropriate.

Accountability. The idea of "accountability" for performance in education has been around a long time (c.f. Dressel, 1976), but the growing demand for increasing educational attainment has increased the intensity of "accountability" conversations and kindled experiments with a variety of approaches. Unsurprisingly in this context, "accountability" (along with access and affordability) was one of three major themes of the National Commission on the Future of Higher Education (2006), created by Secretary of Education Margaret Spellings.

Joseph Burke's studies of performance reporting, budgeting, and funding document the flowing and ebbing of one important movement to increase performance by increasing reporting, and in various degrees, providing financial rewards for improvement. After observing over many years the difficulty of devising sustainable and effective performance funding strategies at the state level, Burke concluded that this approach is more useful and feasible within institutions than at the state level (Burke, 2005.)

The National Commission on Accountability in Higher Education was convened by the State Higher Education Executive Officers in 2004 to consider how "accountability" might become more effective in improving performance. The Accountability Commission report, questioning the effectiveness of top-down mandates and extensive reporting, argues that effective accountability approaches will employ explicit goals, shared responsibility, a division of labor, rigorous measurement of outcomes, and shared accountability for improvement (SHEEO, 2005). In many respects the state examples discussed below reflect such an approach.

The Assessment Movement. The "assessment movement," closely related to the "accountability" movement, has a stronger root in the academic, rather than the political world (Ewell, 2005.) As Ewell indicates, the 1984 report sponsored by the National Institute of Education, *Involvement in Learning*, advanced the idea that high expectations, engaging pedagogies, and frequent feedback could materially improve undergraduate education. Fueled by a series of "assessment conferences" organized by the late American Association for Higher Education (AAHE), the assessment movement generated a substantial number of innovative and thoughtful initiatives within institutions.

The movement deserves credit for stimulating accreditors to require more explicit institutional assessments of student learning. Also, its impact is clear in the report, *Accountability for Student Learning,* prepared by the Business/Higher Education Roundtable, and the reports of the National Commission on Accountability in Higher Education and the Spellings Commission.

While the contributions of the assessment movement are established, the right approach to assessment is not a settled question. The tension between assessment for improvement and summative assessment, the idea of focusing on "value added" assessment, and the appropriate roles of government, accreditors, institutions, and faculty in the assessment of learning continue to generate lively discussions.

The P-20 Movement. The traditional missions of K-12 and postsecondary education have been different in important ways. K-12 has emphasized universality, a common mission, and uniform standards. Higher education has emphasized selectivity, diverse missions, and standards which vary among programs and institutions. When postsecondary enrollment was optional, differences such as these were relatively inconsequential. But growing aspirations for higher education have fueled the P-20 (pre-school through graduate study) movement, which seeks to make the transition from one level of education to the next more transparent and "seamless."

The "P-20" movement has several components: a focus on the high school curriculum, led by Achieve, Inc.'s American Diploma Project and the International Baccalaureate Program; efforts to align high school assessments and postsecondary placement or admissions exams; programs to improve teacher and school leader capacities, both through pre-service and in-service education; enhanced data systems to provide feedback to policymakers, high schools, and postsecondary teacher training programs; early outreach programs; and state-wide "P-20 Councils" to facilitate and promote such activities (Callan, et al, 2006; Lingenfelter, et al, 2007).

Merit aid. Merit scholarship programs, a state version of "tuition discounting" at the institutional level discussed earlier, are explicitly designed to increase participation, academic effort, attainment, and the retention of talented students in their home state. In 1993 Georgia established the Hope Scholarship

Program to provide college tuition to all students graduating from high school with a “B” average or higher. By 2005 ten other states had established substantial new merit programs – Florida, Louisiana, South Carolina, Kentucky, West Virginia, New Mexico, Nevada, Mississippi, Tennessee, and Michigan (Doyle, 2006).

Although these programs have been enormously popular politically, they receive mixed reviews from policy analysts. They have been credited with reducing out-of-state student migration and increasing college participation in states, like Georgia, with historically low participation rates. But since most merit aid recipients are likely to attend college regardless, the investment in these programs yields relatively small attainment increases per dollar spent. Their popularity is undiminished by these criticisms, but the expansion of these programs is slowing, in part due to their growing cost.

The “Oklahoma Promise” program discussed below, and a somewhat similar program in Indiana, “The Twenty-First Century Scholars Program,” have the advantages of merit aid without the inefficiencies described above. These programs combine incentives or threshold requirements for taking a rigorous high school curriculum with demonstrated financial need. Both programs promise aid early in or before high school. And they emphasize rigorous courses with decent grades, rather than the artificial standard of a “B” average, which has, in some cases, motivated students to avoid difficult courses.

“Changing Direction” – Aligning Tuition, Appropriations, and Financial Aid. Frequently decisions about appropriations, tuition, and financial aid are made in isolation, in ways that inadvertently degrade student participation and success. Tuition rates may be increased without commensurate increases in aid, or tuition rates may be kept low, even when appropriations are inadequate to finance adequate spaces in classrooms. In 2001 David Longanecker, Executive Director of the Western Interstate Commission for Higher Education, launched the “Changing Direction” project to increase awareness of how greater access and attainment can be achieved by aligning these financing policies.

The Changing Direction movement argues that all three dimensions of finance policy must be synchronized to: 1) provide adequate funds to provide a quality education for all students who *should* enroll; and 2) assure that all qualified students can *afford* to enroll and focus on academic achievement. Both institutions and low and moderate-income students must be adequately supported to increase educational attainment in a state. While tuition, appropriations, and financial aid can be combined in different ways to reach higher attainment, to optimize results the interrelationships among these three dimensions of policy must be explicitly considered.

Several of the fourteen states participating in the Changing Direction project have make significant, coordinated changes in tuition, financial aid, and appropriations policy in order to increase access and

attainment. Arizona, for example, dramatically increased its traditionally very low tuition along with commensurate support for financial assistance in order to help finance the expansion of space for growing enrollments. Oregon, which already had above-average tuition, developed a new framework for student financial assistance to address the issue of affordability. Other participating states, while not making similarly dramatic changes, have developed more sophisticated processes for integrating these dimensions of financial policy.

Center for Academic Transformation. From 1999 to 2004 Carol Twigg and her colleagues worked with 30 two and four year colleges and universities to develop and test course design systems using instructional technology as a means of improving instruction and productivity (http://www.center.rpi.edu/). The essential elements of the strategy are to: 1) Identify high-enrollment courses which collectively constitute a substantial fraction of all student credit hours; 2) Work with faculty to define the desired learning outcomes in knowledge and skill for each course; and 3) Work with faculty to develop computer-assisted instructional techniques that enhance student engagement, focus effectively on learning objectives, provide systematic feedback, and better utilize faculty time.

The accumulated evidence from these projects strongly suggests that faculty who employ technology effectively improve student learning and reduce costs (Twigg, 2001.) While these techniques have not yet been implemented broadly within institutions and across institutions and systems (with the exception of some institutions in the for-profit sector), movements to expand their implementation are gaining momentum.

State policy and strategic planning

Public policies focused on clearly articulated objectives have greatly strengthened higher education in the United States. From the Morrill Act of 1862 to the growth of state systems and the federal Higher Education Act in the 1960s, federal and state initiatives have managed to focus the nation's diverse and decentralized system of higher education on fundamental public priorities, while retaining substantial degrees of institutional flexibility for innovation and adaptation. This artful "balancing act" is characteristic of the state policy initiatives briefly described below to improve attainment, quality, and productivity.

The four "stories" below, which illustrate how five states have addressed these issues, fall far short of exhausting the available material. Planning documents from virtually every state can be found on the website www.sheeo.org .

Illinois: Priorities, Quality, Productivity. In 1991 the Illinois Board of Higher Education (IBHE) launched its *P*Q*P Initiative* to increase productivity and quality by focusing existing resources on high

priorities. The effort initiated a review of existing spending to identify resources committed to lower quality or lower priority activities, which could then be reallocated to higher priorities.

In a letter to the Illinois higher education community, IBHE chairman Arthur Quern wrote, “Acting on priorities means we put our support behind those things most important to our mission. Those things that are not as important to our mission and which we do not do well, should be eliminated. The funds for building the future will come from . . . our making choices on what we must stop funding in order to pay for those things which we cannot not allow to be under-funded.” Quern observed, in contrast to budgeting cutting exercises, this was not about “doing more with less,” but about “doing less with more” (Wallhaus, 1996.)

Pursuing the initiative over several years, the Board staff engaged in a structured dialogue with institutional leaders on twenty-five dimensions of productivity (both qualitative and quantitative) within five broad categories encompassing every aspect of Illinois higher education, from institutional productivity in instruction, research, service, and administration, to the productivity of statewide regulatory policies.

The dialogue with institutions was informed by the substantial data resources available in Illinois on instructional costs, program degree productivity, and the allocation of resources to various research, public service, administrative, and support functions. In instruction, for example, based on a constellation of factors (capacity relative to student demand and workforce demand, centrality to mission, breadth of offerings, quality, student satisfaction and success, and cost) the Board staff identified 180 academic degree programs and 12 academic units (about 7 percent of undergraduate and 15 percent of graduate programs) to be considered for elimination.

In non-instructional areas the Board staff did not make specific recommendations for reallocation. Instead, the staff shared with institutions comparative data on spending as well as trends over time, and suggested factors to consider in judging potential savings.

Institutions were obligated to consider the Board’s recommendations, but not to accept them. And when the decision was made to eliminate or reduce spending for a program or function, institutions retained the freedom to allocate savings to higher institutional priorities.

Over five years the P*Q*P initiative led to the reallocation of $390 million, $181 million in public universities and $209 million in community colleges, more than 10% of the total state appropriation for Illinois higher education. The savings were allocated to improve undergraduate instruction, faculty salaries, technological and library resources, plant maintenance, and other priorities identified by institutions themselves (Sanders, 1998).

Institutions closed 68 (36%) of the 190 programs recommended for elimination by the Board of Higher Education. On their own initiative, however, they identified and eliminated an *additional* 79 programs as lower priority, and 42 academic units (departments, centers, etc.), a number much larger than recommended by the IBHE (Wallhaus, pp. 20-22).

Citing the increased confidence engendered by P*Q*P the then Governor Edgar of Illinois recommended and the General Assembly fully funded the IBHE budget recommendations for FY1995, FY1996, FY1997, FY1998, and FY1999. Over these five years constant dollar state support per student (2006 dollars) increased by 19% from $6,981 to $8,306 (SHEEO, 2007).

Kentucky: Five questions, one mission. In 1997 the Kentucky General Assembly passed into to law and then Governor Paul Patton signed House Bill 1, the "Kentucky Postsecondary Improvement Act of 1997." House Bill 1 established specific goals for postsecondary education to be attained by 2020, the first of which is: "A seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life." Further goals committed the state to establish a comprehensive community college system and to achieve national recognition for the quality and contributions of its public universities. Kentucky leaders have recognized for some time the need to increase educational attainment in order to improve the standard of living for its citizens, and Governor Patton decided to make strengthening higher education the focal point of his administration.

House Bill 1 not only established specific goals, it put into place stronger mechanisms for reaching them. A "Strategic Committee on Postsecondary Education" was established including the Chair of the Council on Postsecondary Education, the Governor, the President of the Senate, the Speaker of the House, and other legislative and civic leader appointed by these leaders. The Strategic Committee is required to meet quarterly, and its function is to assure effective communication among the Governor, the legislature, and the Council on Postsecondary Education in pursuing the goals of House Bill 1. In addition, House Bill 1 strengthened the role of the Council on Postsecondary Education and its President in developing strategies to meet state goals, implementing those plans, and advising the Governor and General Assembly on appropriations and higher education legislation.

Over the past ten years Kentucky has taken many significant steps toward achieving the goals of House Bill 1. The Kentucky Council on Postsecondary Education now organizes its work around "Five Questions: One Mission, Better Lives for Kentucky's People." The five questions are:

- Are more Kentuckians ready for postsecondary education?
- Is Kentucky postsecondary education affordable to its citizens?
- Do more Kentuckians have certificates and degrees?

- Are college graduates prepared for life and work in Kentucky?
- Are Kentucky's people, communities, and economy benefiting?

The questions serve as the framework for monitoring outcomes and encouraging and rewarding behaviors that advance progress toward the state's goals. The website for the Kentucky Council for Postsecondary Education further elaborates the meaning of these questions and how they are answered (http://cpe.ky.gov/planning/5Qs/default.htm).

Some of the more significant actions taken over the past ten years to advance educational attainment and quality in Kentucky include:

- Creating a comprehensive, free-standing community college system;
- Passing the Kentucky Innovation Act of 2000, a series of initiatives to strengthen research, development, and commercial applications of knowledge
- (http://www.lrc.ky.gov/recarch/00rs/HB572/bill.doc);
- Passing the Kentucky Adult Education Act of 2000, which assigned responsibility for adult education to the Council on Postsecondary Education
- (http://www.lrc.ky.gov/recarch/00rs/SB1/bill.doc);
- Creating the Kentucky Virtual University to expand access to instruction; and
- Increasing state appropriations at a substantially faster rate than the national average to finance such initiatives (SHEEO, 2007, p. 37).

While Kentucky still remains well below its 2020 goals for educational attainment and quality, data on the results obtained since the passage of House Bill 1 on the Council's website indicate significant growth in enrollment and degree attainment. Its disciplined strategic planning and investment in implementation are yielding results.

Oklahoma: "Brain Gain". Like Kentucky, Oklahoma's adult population has been well below the national average in postsecondary educational attainment. In 1999 the Oklahoma Board of Regents resolved to increase baccalaureate attainment in Oklahoma to the national average by 2010 (Oklahoma Board of Regents, http://www.okhighered.org/studies-reports/brain-gain/).Specifically, the Regents sought to increase the percentage of Oklahoma adults with a bachelors degree to 28 percent (from 20.1 percent in 1996) and to increase associate degree attainment to 10 percent of the adult population, up from 5 percent in 1996.

To achieve these ambitious goals, the Regents considered initiatives for increasing preparation for college, increasing participation and graduation rates, retaining students in Oklahoma, and attracting well-educated adults from other states.

A number of interrelated initiatives were implemented to increase participation and student success. Support from the federal GEAR-UP program financed extensive out-reach media campaigns to increase college awareness. The Regents provided the ACT EPAS assessments to school districts throughout the state to strengthen student awareness and preparation for college. The state implemented the OHLAP (now "Oklahoma Promise") scholarship program that guarantees college tuition grants to students with family incomes under $50,000 who take a prescribed college preparatory high school curriculum, stay out of serious trouble with the law, and achieve a 2.5 GPA in high school. Oklahoma also implemented efforts to improve outreach to adult learners and provide more adult friendly learning environments. A recently launched initiative, "Reach Higher," provides convenient and attractive options for degree completion to adults who have attended college but did not complete a degree.

The Regents also have recommended, and the state has funded, performance incentive grants (about $2.0 million per year), and targeted appropriations to strengthen institutional programs and improve student retention and graduation. And to build greater research capacity the Regents obtained and matched a $6.0 million NSF grant to strengthen research infrastructure.

Through another initiative, Oklahoma retained the consulting firm Noel Levitz to conduct system-wide workshops on improving student recruiting, retention, and graduation. The consulting team observed numerous ways recruitment and retention could be improved, and provided a detailed report of recommendations for institutions and for the state. The principal thrust of this activity, unlike some enrollment management exercises, was not to increase student "quality," but to increase student enrollment and success.

While the journey is incomplete, these commitments have generated results. From 2001 to 2006 total associates and bachelors degrees awarded grew each year, and the 2006 total of 23,689 was 24.5% higher than 2001 degree production. Enrollments also increased during this period, but only by 10%. Every sector of the public system increased degrees awarded, and most institutions met targets established for degrees earned, student retention, and improved graduation rates. The low-income students receiving OHLAP (Oklahoma Promise) awards have outperformed their peers (all incomes) in high school GPA, college enrollment, college retention, college GPA, and college graduation rates. Since the 1996 baseline year, the percentage of Oklahoma adults with a bachelors degree or higher has grown from 20.1% to 22.4%. Oklahoma degree attainment has not increased substantially in comparison to the national average (other states are improving as well), but only 12 states, including Oklahoma, have consistently improved on this indicator over the past three years.

The Dakota Roundtables. North and South Dakota, relatively under-populated, predominantly rural neighboring states, share credit for developing an effective approach for reshaping higher education

public policy over the past seven to ten years. These states have a common problem – a predominantly agricultural economy that tends not to provide ample employment opportunities for well-educated citizens, despite a relatively effective educational system. Well-educated college graduates, whether native, or from other states, often leave the Dakotas for better paying employment elsewhere. To address this problem, both states needed to develop a new, and broader consensus on the role of higher education in meeting state priorities.

In North Dakota the Roundtable initiative began in 1999 when Senator David Nething led an Interim Legislative Committee on Higher Education. The process employed by the Interim Committee was broadly inclusive, involving civic and business leaders, legislative leaders, the executive branch, members of the Board of Higher Education, and system and institutional administrators. The focus of the Roundtable was on the future of the state and the central role of higher education in that future.

The principle conclusions of the North Dakota Roundtable Report, "A North Dakota University System for the 21st Century," can be summarized as follows:

- North Dakota will lose population, especially talented young people, and economic vitality in the information economy of the 21st century unless it takes bold action to change the state's downward trajectory;
- The North Dakota University System, a vital resource for changing that trajectory, must be academically competitive, engaged with the needs of the state and its citizens at every level, and accessible and responsive to all citizens, individual and corporate;
- The University System must stop thinking of itself as a "ward of the state" and take more responsibility for its own future;
- The state must give the University the freedom and flexibility it needs to be successful;
- In return the University System must demonstrate, with evidence, its work to address state needs and the results of that work; and
- The private sector must increase and sustain its engagement with the University System and state government.

The Roundtable report includes an impolicit commitment that the state will sustain its financial commitment to the University System as a percentage of state resources; the System will prosper as the state prospers, but it cannot expect a greater state commitment at the expense of other state functions. The report contained more than 90 specific recommendations to flesh out these general principles and to provide a framework for monitoring results.

Two aspects of the North Dakota Roundtable have proven especially important – the establishment of a permanent structure for continuous reporting and dialogue and the role of the private sector as a key

participant. The Roundtable meets annually to review progress, and its leadership has been renewed. But by 2006, when many new legislators had had little direct personal involvement in the Roundtable, the budget process threatened to reduce the percentage of state appropriations allocated to the University System. The private sector members of the Roundtable met separately and issued a strong public statement which influenced the restoration of the state's financial commitment.

In South Dakota the roundtable process was initiated in 1995 by the Board of Regents as a response to an environment where public higher education and state policymakers were not working from a common agenda. The initial roundtables involved governor's staff, legislators, regents, institutional presidents, faculty, alumni, and the business community. A roundtable with legislative leadership established a set of state policy goals in 1996, *The Reinvestment through Efficiencies Program,* through which the universities redirected 10% of their base budgets to programs that supported one or more of seven state policy goals.

As they continued in 1998, these roundtables became the source of a change in the approach to state funding for public higher education to replace an enrollment-driven formula approach with a new model that allocated funding to mutually developed policy goals, including objectives such as updating the technology infrastructure, redesigning the curriculum, improving the payoff from K-12 relationships, protecting equipment assets, and contributing to the state's economic development. Specific appropriations were provided to advance one or more of the policy goals.

In 1998 term-limit driven turnover required broader participation in the discussions of higher education policy, and the roundtables were expanded to include all members of the legislature. Since 1998 three or four roundtables for legislators, regents, and presidents have been held each summer. These summer roundtables are followed by a single roundtable for legislative leaders, regents, institutional presidents, and the Governor's Office in December. As a supplemental activity, in 2001, the Board of Regents initiated a wider public discussion on higher education policy through town meetings in the 35 legislative districts of South Dakota.

The roundtables have become the vehicle for discussing the state's demographic and economic changes. From these discussions, the Board of Regents prepared the South Dakota Opportunities Plan [2003] that outlined four policy goals for higher education — Access, Academic Success, Creating State Wealth, and Efficiencies. The strategic plan then identified fourteen specific "opportunities" to address the issues facing the state. These opportunities included specific academic goals (improving preparation for college, increasing academic expectations, and improving student success in college), regional development needs in several areas, improving faculty compensation and administrative cost-effectiveness, addressing health care needs, enhancing and expanding research activity and technology transfer, and improving teacher education and the supply of K-12 educators (South Dakota Board of Regents, 2003). While state

plans for higher education with similar goals are common, South Dakota has been unusually focused and tenacious in pursuing its goals.

The roundtables today have become institutionalized as a part of the annual, on-going discussions on higher education policy. In 2007 the Regents will participate in town meetings hosted by the legislative delegations in nearly all of the districts.

Conclusion

State planning to increase attainment, quality, and productivity is growing in the United States, but with fits and starts and periodic backsliding. In many places state policy for higher education is still conceived narrowly as the sum of institutions, their growth, reputation, and relative prosperity. While this perspective is well within the comfort zone for most institutional administrators, it is much more likely to reinforce an "us vs. them" relationship between higher education and public leaders than to generate the public enthusiasm and support needed to meet 21st century higher education challenges.

What does it take to make and sustain progress on attainment, quality, and productivity? A deeper look into the states described above suggests some answers. First, progress requires leadership. In every case, some statewide leader, a governor, a legislator, a state higher education executive, a state board chair, or a coalition of these leaders took initiative, articulated an agenda, and then over several years invested a substantial amount of energy and credibility in strategic planning and implementation.

Second, progress requires information. In Illinois especially, the effort to increase productivity was fueled and directed by a superb data system which helped leaders focus on higher priorities and identify lower priorities where resources could be found for reallocation. But data are important everywhere; in all of these states, information has played a key role in articulating an agenda, defining goals, and monitoring progress.

Third, progress requires a "trans-institutional perspective." Institutions deliver instruction, research, and public service, but they work in the context of P-20 systems, a state economy, and a community of other institutions with strengths, weaknesses, and material differences in what and how they can contribute to broader public purposes. Real progress requires a statewide perspective on institutional resources and broad public priorities, and a means for institutions to find the niche where they can serve the public most effectively.

Fourth, sustained progress requires broad ownership and continuity of leadership. While small size may have made it easier for the Dakotas to elevate consultative process to a high art, every state needs to

make significant investments in widespread "buy-in" in order to sustain progress. A broadly inclusive process helps reduce, but cannot prevent loss of momentum when top leaders change. Progress in every one of these states (except Kentucky) benefited from a state higher education executive who had been in office well over five years. In Kentucky the enormously high profile of "reform" and its codification in law have helped sustain momentum even when governors and state executives changed.

Fifth, the implementation of a strategic plan requires continuous monitoring and maintenance. While political, civic, and institutional leaders must be involved, none of them have the capacity to focus on follow-through. That role is a full-time job, and it has been the responsibility of the statewide governing or coordinating board for higher education.

And sixth, progress requires shared commitment and shared rewards. The Illinois P*Q*P initiative could not have succeeded had it been conceived and implemented as a "do more with less" initiative. Educators in all of these states have discovered political leaders are more willing to provide support for higher education when the higher education system effectively addresses public priorities.

Progress on attainment, quality, and productivity will continue to grow, because the external environment of higher education will demand it. The national movements described here will continue to influence and shape state policy, and the individual states will continue to experiment, borrow ideas from each other, and employ outside resources as they address these issues for their own citizens.

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