



WHAT IS COST- EFFECTIVE HIGHER EDUCATION THAT WORKS FOR STUDENTS AND THE AMERICAN ECONOMY? WHAT DOES IT LOOK LIKE?

The unprecedented economic crisis demands that our nation graduate more students with high quality, more efficiently and more quickly. By recalibrating higher education spending, more students will graduate from college at a lower cost per graduate for taxpayers, at lower costs for students, and with dramatic benefits for our nation's social and economic health. For most states, it means improving graduation rates for enrolled full- and part-time students and reaching new target populations, such as students of color, first generation students, students from low-income families, working or unemployed, adults and those returning from the military. Achieving more degrees, credentials, and postsecondary skills that power economic mobility means being student- and economy-centered. Policymakers should ask seven questions to assess their state's cost effectiveness:

1. How is my State streamlining students' pathways to degrees and into the workforce? *Florida* has legislated and adopted student-friendly policies that focus on a common academic calendar (colleges must start classes within three days of one another), common course numbering, common degree lengths, guaranteed transfer, state and regional articulation agreements, a common transcript format, electronic transfer of records and an on-line advising system that encompasses K-12 and higher education. These changes have made a difference for *Florida*. *What are the results?*

- One half of upper division students are native community college students.
- The average time to degree for university native students is 135 hours and only three more hours for students who start at community colleges.
- Florida produces more associate degrees and degrees awarded to African-American students and to Hispanic students than any other state.

The *University of Maryland* has adopted a standard 120 credit requirement for baccalaureate degrees as one factor to ensure that students who enroll full-time can graduate in four years.

2. How is my State using data to reach new student populations? With a goal of increasing enrollments by 230,000 students, *Ohio* looked systematically and deeply at demographics and concluded that two-thirds of the new students would be 25 or older. Since many of these students have jobs and families, *Ohio* has developed strategies to get programs to facilities nearer the students. In 1997, the *Kentucky* legislature enacted legislation to double the numbers of college graduates by 2020. One of *Kentucky's* strategies, *Project Graduate*, reaches out to 11,000 Kentuckians who have earned 90 or more credit hours and encourages them to return and complete their bachelor's degree and provides a free application, priority enrollment, tuition assistance and individual advising.

3. How is my State addressing career and college readiness (it's everyone's job)? In most states, completing high school does not prepare you for college or work. When students graduate from high school and find they have to enroll in remedial education in college, it's a shock. It's not productive, and it stops people. Remedial education is expensive for students and taxpayers. *Missouri* estimates annual remedial instruction of more than \$20 million at community colleges. States can ensure that the K-12 and higher education curricula are aligned, design programs to meet the needs of working or displaced adults and explore new ways of delivering remedial education. *Florida* is assessing and delivering remedial

education in high schools. *Arkansas* legislation (*Act 971, 2009*) requires clear exit standards for remedial courses and new delivery methods for remedial courses.

4. How is my State addressing rising tuition and targeting student aid to enroll and graduate students? To overcome its history of high tuitions, *Ohio* had a three-year freeze on tuition at community colleges and universities. The *University of Maryland* has had no tuition increases for four years and has gone from the 5th highest tuitions to 20th highest. A *University of Maryland* policy requiring that those in the lowest 25% of income should have 25% lower debt at graduation changed institutional behaviors in making student financial aid awards. *Arkansas* enacted a lottery scholarship program (*Act 606, 2009*) and expanded its *Go Grant Program* for low-income students to include aid for college ready adults (full- and part-time).

5. How is my State encouraging students to enroll in accelerated programs and earn credit outside of the traditional classroom? The *University of Maryland* has adopted policies to encourage students to take 12 credits (10% of total requirement) by alternative means including online courses, registration in special sessions, independent study or research, study abroad, service learning, internships, credit by exam and advanced placement credits. *Ohio* has started a “*Senior to Sophomore*” program to encourage students to complete their first year of college while in high school.

6. How is my State delivering education to address local economic needs in affordable ways? The *National Center for Academic Transformation* has a successful model for “*Course Redesign*,” which improves learning outcomes and reduces costs per student for a range of high enrollment courses, including *Introductory Math, Chemistry, Psychology*, etc. Institutions make large investments in these courses, and changes can significantly improve effectiveness and efficiency. *Florida* legislation (2008) transforms the community college system into the *Florida College System* to provide access to select baccalaureate degrees at low costs to students. The baccalaureate programs are determined based on local workforce needs, e. g., nurses and teachers. Place-bound adults unable to attend a university are enrolling in these *Florida* programs. The *University of Maryland* has increased faculty contact hours by 10%. The *Midwestern Higher Education Compact, Maryland* and *Ohio* are realizing cost savings in areas such as energy and health care through multiple institutions using a single contract.

7. How is my State shifting from funding enrollments to course completions and degrees? *Ohio* has shifted from funding enrollments to funding course and degree completion with extra support given for STEM areas and at-risk students. For two-year and open access institutions, *Ohio* is funding “achievement” (e.g., progress in completing 15 hours toward a degree). The *Washington State Board for Community and Technical Colleges* is also basing a portion of its funding to colleges on “achievement.” *Indiana* is basing a portion of its funding to higher education for course and degree completion, graduating more students on-time, graduating low-income students and successfully transferring students from two- to four-year institutions. *Texas* legislation (2007) allows students to drop only six state-subsidized courses during their college years.

Florida and *Ohio* have funded graduates for about 10 years and report that these policies have made a difference. *What are the results?*

- *Florida Community Colleges* found that while enrollments increased by 18 percent, degrees and certificates increased by 43 percent from 1996 to 2007.
- *Ohio* reported the median time-to-degree for bachelor’s degrees decreased from 4.7 years in FY 1999 to 4.3 years in FY 2003, and stayed at this level through 2007.

Source: *Making Opportunity Affordable Initiative, Higher Education Performance Funding 2.0*, by Brenda Norman Albright, 2009 <http://www.youtube.com/BrendaAlbright> (updated July 2009)