

SECTION 4 | ACCOUNTABILITY

Questions researched for the 50 states

1. *Has the state set a college-attainment goal?*
2. *Are college completion or attainment goals set in master plans?*
3. *Does the state have a performance-funding model for higher education?*
4. *If yes, what metrics are included?*

Projections by the Center on Education and the Workforce indicate that by 2020, 65 percent of all jobs will require a postsecondary credential and training beyond high school.¹ This places a greater emphasis on higher attainment rates and encourages states to make degree completion and attainment a top priority.

While more than 30 states have adopted higher education accountability policies, only 19 have comprehensive strategies in place based on ECS criteria. These 19 states have: 1) set college attainment goals, 2) included attainment or completion goals in their master plans and 3) have adopted a performance-based funding model. ECS' analysis focused on setting attainment goals, implementing performance-based funding models and setting completion or attainment goals in master plans. Notably, completion goals pertain to increasing degree completion at higher education institutions, while attainment goals pertain to increasing the number of adults in the state who hold a higher education credential.

POLICY GOALS

As the demand for employees with a postsecondary credential grows, states are implementing accountability measures to incentivize institutions to graduate more students to help increase the overall number of adults with degrees. ECS' analysis identified the key policy goals most commonly articulated in these accountability policies, including:

- ✦ Increasing the number of adults in the state who have a postsecondary credential to support workforce needs.
- ✦ Holding institutions accountable for successful outcomes by tying a percentage of state funding to successful outcomes.
- ✦ Providing multiple measures for institutions to demonstrate student success.
- ✦ Incorporating attainment or completion goals in master or strategic plans for postsecondary institutions.
- ✦ Setting a specific attainment or completion number or rate to provide clear and measurable goals for the state.
- ✦ Collaborating with business leaders to directly link postsecondary students with the local workforce.

Setting attainment goals and creating performance-based funding models are two key state strategies to hold higher education institutions accountable for improving student outcomes and responding to workforce demands. Accountability measures can help foster partnerships between states, higher education institutions and the business community to produce productive citizens.

KEY POLICY ACTIONS

As higher education accountability initiatives continue to evolve and expand to increase student success and meet workforce demands, state and postsecondary system leaders should consider the following actions:

- ✦ Create a working group with state P-20 education and business leaders to set a clear, quantifiable postsecondary attainment goal to meet projected workforce needs.
- ✦ Clearly articulate the state's attainment goal, including a target date, in statute, the higher education master plan and/or other public documents.
- ✦ Periodically revisit and, if necessary, revise the state's attainment goal to reflect changes in the job market projections and to indicate the demand of various fields.
- ✦ Produce or revise the current statewide master/strategic plan for higher education that reflects state priorities related to degree completion, attainment rates and workforce demands, and holds institutions accountable for reaching the specified goals.
- ✦ Adopt, through a collaborative process, a performance-based funding system that includes multiple measures to improve student success, support state attainment goals and focus on the economic needs of the state.
- ✦ Ensure that performance-based funding models align with the missions of different types of institutions, reward success for serving underrepresented student populations, focus on student progress and completion, and represent a sufficient percentage of state funding to incentivize institutions to respond to the goals.²

As states move forward on accountability initiatives, policy and education leaders should ensure that completion and attainment goals are aligned and reachable but also sufficient to meet the needs of the state. A comprehensive and ambitious strategic or master plan that contains clear and attainable objectives can be instrumental in advancing state higher education priorities. For example, these plans can include goals and metrics related to student progression, time-to-degree, completion, affordability and workforce demands.

Policy and higher education leaders also may want to consider how strategic plans and performance-based funding models mutually support a state's postsecondary objectives. For states that have adopted performance-based funding systems, implementation and evaluation will be the next steps in the process. Involvement by a broad group of stakeholders, including institutional representatives, state policymakers and business leaders, is an essential component of a successful implementation process.³



CHALLENGES AND OPPORTUNITIES

When adopting higher education accountability measures, policymakers should be prepared to address a number of challenges and opportunities. Each challenge is matched with opportunities for further study.

The Challenge: Set clear attainment number or rate

Opportunities for how to address the challenge

- ✦ Compare current attainment rates with states or systems with similar student populations or other comparative measures.
- ✦ Calculate the rate at which the attainment rate would need to rise — overall and annually — to align with workforce projections.
- ✦ Create ongoing opportunities for business leaders and employers to collaborate with higher education institutions to provide clear pathways to the workforce.

The Challenge: Set clear statewide or systemwide strategic plan

Opportunities for how to address the challenge

- ✦ Depending on governance structures, the appropriate agency should create a long-term strategic plan for public institutions. Education and state leaders should review and revise the plan on a regular basis.
- ✦ Include degree completion and attainment goals in the plans for the state to strive toward.
- ✦ Include stakeholders in the creation and revision of the strategic plan. Stakeholders would include policymakers, higher education institution leaders, business leaders and higher education governing boards.

The Challenge: Base higher education funding on performance metrics

Opportunities for how to address the challenge

- ✦ Identify key metrics to measure performance of a higher education institution.
- ✦ Create a funding formula that applies to two-year and four-year institutions. Some metrics can be tailored to the missions of these institutions.
- ✦ Include multiple metrics for institutions to show high performance.
- ✦ Maintain open collaboration with stakeholders in determining the right amount of funding to devote to the policy.

EXAMPLES OF STATE POLICIES

Approaches to consider

The state examples below provide insight for setting attainment and completion goals and using multiple performance metrics in funding formulas. Both states have policies or initiatives that set attainment goals, have performance-funding models and house attainment or completion goals in their master plans.

ILLINOIS

Set clear attainment number or rate



In 2012, Gov. Pat Quinn declared his support for the **60 X 25** goal, which states that 60 percent of adults in Illinois will have a college degree, an associate degree or a career certificate by 2025. The 60 X 25 plan is an initiative from the Illinois Student Assistance Commission (ISAC). This plan stems from Lumina Foundation's **strategic plan**, which provides multiple strategies for reaching the goal of a 60 percent attainment rate across the United States.

The Public Agenda Task Force adopted **Illinois' Public Agenda for College and Career Success** in 2008. ISAC supported this agenda and focused on its "Big Goal" of 60 percent attainment. The goal emphasizes the 60 percent attainment rate for adults completing a "high-quality, formal postsecondary educational program." The public agenda highlights four goals: increase educational attainment, improve college affordability, strengthen workforce development and link research and innovation to economic growth.

TENNESSEE

Base higher education funding on performance metrics



Tennessee implemented **Public Act No. 3** in 2010, which established the 2010-15 cycle of outcomes-based funding and is known as the Complete College Tennessee Act of 2010. Although the new cycle was passed in 2010, a performance-based funding program has been in place in Tennessee since 1978.

The outcomes-based model uses separate outcome metrics for two- and four-year institutions. Metrics for four-year institutions include student progression, transfers, degrees and certificates per 100 FTE (full-time enrollment), degrees granted, research and services, and six-year graduation rate. The metrics for two-year campuses are very similar but also include workforce training contact hours.

Tennessee's quality standards include quality of student learning (weighted 75 percent) and engagement and quality of student access and success (weighted 25 percent). The first standard encompasses the following measures: general education assessment, major field assessment, accreditation and evaluation, satisfaction studies, job placement and assessment implementation. The second standard focuses on credentials earned by selected student, such as STEM, high need and adults.

ENDNOTES

- 1 Anthony P. Carnevale, Nicole Smith and Jeff Strohl, *Recovery: Job Growth and Education Requirements Through 2020* (Washington, DC: Georgetown University Center on Education and the Workforce, June 2013), <http://cew.georgetown.edu/recovery2020/>.
- 2 Dennis P. Jones, *Outcomes-Based Funding: The Wave of Implementation* (National Center for Higher Education Management Systems and Complete College America, October 2013), <http://completecollege.org/pdfs/Outcomes-Based-Funding-Report-Final.pdf>.
- 3 Ibid.