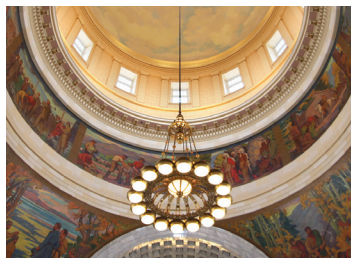
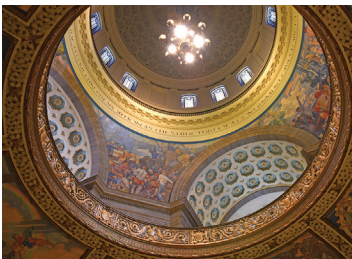
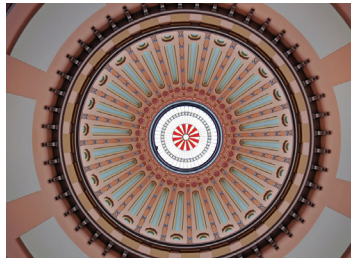




Lumina™
FOUNDATION

LUMINA STATE POLICY AGENDA 2017-20



The United States needs to educate and train many more people beyond high school. The latest economic analyses suggest the country needs 60 percent of working-age Americans to hold college degrees, workforce certificates, and other marketable postsecondary credentials by 2025. Meeting this goal for educational attainment will require policy-makers to work to reduce, and ultimately eliminate, unequal educational results across racial, ethnic, and income groups. Only then will the country be fully prepared to seize opportunities and address significant civic, social, and economic challenges.

Lumina Foundation is an independent, private foundation committed to making opportunities for education and training beyond high school available to all. We envision an easy-to-navigate system that delivers equitable results for students and meets the nation's need for talent by providing a broad range of high-quality postsecondary credentials. We believe this system will help prepare people for informed citizenship and success in a global economy. Lumina supports the building of this postsecondary system through state and federal policy support and outreach, strategic communications, stakeholder engagement, investments in proven and promising practices, and targeted efforts to increase, measure and evaluate progress.

States play a critical role in shaping the nation's system of learning beyond high school. Lumina engages and supports state leaders in increasing postsecondary attainment through Strategy Labs—a platform for policymakers and influencers in all 50 states that provides nonpartisan research, data, peer advice, and technical support.

Lumina's state policy agenda begins with states setting robust postsecondary attainment goals that are disaggregated by race, ethnicity, and income. It also recommends ways in which states can identify, attract, and spend resources so that many more Americans can afford to earn postsecondary credentials with workplace value.

LUMINA'S STATE POLICY AGENDA RECOMMENDS WAYS IN WHICH STATES CAN IDENTIFY, ATTRACT, AND SPEND RESOURCES SO THAT MANY MORE AMERICANS CAN AFFORD TO EARN POST-SECONDARY CREDENTIALS WITH WORKPLACE VALUE.

All states are encouraged to consider and adopt this comprehensive agenda to build a better system for learning beyond high school.

STATE COMMITMENT

1 Set an Ambitious Goal

Establish an ambitious attainment goal and measure outcomes. Statewide goals help state leaders, college and university officials, employers, and community representatives establish a shared agenda. These goals should be combined with a way to track outcomes for all learners.

State policymakers, employers, and educational leaders recognize that raising the overall level of education beyond high school is a vital component of a robust economy. Therefore, each state needs a statewide goal that is:

- Challenging, measurable, and tied to a specific date;
- Insistent on achieving equitable educational results for underrepresented student groups, including students of color, adults, and students from low-income families;
- Designed to influence state policies and institutional behaviors; and,
- Codified in a way that influences policies, budgets, and programs.

States should invest the time and resources necessary to ensure that a broad array of stakeholders support their attainment goals. Goals should be embedded in ways that can be clearly communicated, such as through branded initiatives, and sustained through political transitions.

To track progress toward the goals, state leaders should:

- Use state-level data systems to track individual students' progress and measure their transitions from K-12 and postsecondary education into the workforce in ways that influence budgeting and other important policies;
- Work to implement data systems that include all types of postsecondary credentials, including college degrees, workforce certificates, industry certifications, and other credentials with workplace value. Although challenging, these data should be collected from any college, university, or other postsecondary education or training provider that receives public funds; and,
- Regularly examine trends in comparable, reliable, publicly reported data on student enrollment, persistence, and completion. For the clearest picture, these outcomes should be broken out by race, ethnicity, age, income, institution attended, program, and type of credential.



STRATEGIC FINANCE

2 Invest in Talent Development

Design and implement a statewide strategic finance plan that will identify and align resources and programs, reduce costs, and support state talent development efforts to reach credential attainment goals.

States will attract and cultivate better-educated and better-trained residents when they finance learning in ways that are targeted, predictable, outcomes-based, and aligned across all potential sources of funding. Today, in many states, postsecondary funding is typically not well coordinated or leveraged to support credential completion that is aligned with regional workforce needs. To design effective strategic finance plans, states should:

- Inventory and analyze federal, state, and local resources used to support learning after high school, including funding for public schools, workforce training, higher education, human services, and employer-based subsidies;
- Assess and describe how these resources can be integrated and targeted to increase credential completion, especially with students of color, adults, and students from low-income families;
- Use the plan to guide institutional resource allocation and cost reduction efforts;
- Use the plan to guide conversations about affordability, including the interaction of tuition, student aid, and support for basic living expenses;
- Engage colleges and universities, state and local governments, employers, and community-based organizations to support, execute, invest in, and communicate the plan;
- Establish partnerships with employers to align education benefits with the need of each state to increase attainment; and,
- Identify a sponsor who can publish the plan and advocate on behalf of its use in budgeting, appropriations, tuition-setting, and capital finance decision-making processes.

3 Prioritize Student Outcomes

Adopt and sustain an outcomes-based funding model that allocates a significant portion of the state's core source of operating support toward the completion of credentials, particularly for African-American, Hispanic, and American Indian students, non-credentialed adults, and people from low-income families.

New, student-level data from several states show that well-designed outcomes-based funding policies are associated with increased postsecondary attainment among all students in general and low-income students and students of color in particular. The most promising outcomes-based-funding models:

- Align to state attainment, equity, and workforce goals by emphasizing credential completion;

- Include all public institutions in ways that reinforce each institution’s mission and role in helping students earn credentials;
- Create incentives for institutions to expand access to and increase the numbers of African-American, Hispanic, American Indian, non-credentialed adults, and students from low-income families who earn marketable credentials; and,
- Direct state funding in an amount large enough to change the behavior of college and university administrators in ways that help more students finish their programs of study.

AFFORDABILITY

4 Create an Affordability Benchmark and Target Resources to Low-Income Students

Across types and sources, ensure that funding is aligned with what students and families can reasonably afford to pay, targeting funding so students from low-income families at the greatest risk of not pursuing postsecondary credentials or dropping out can complete them as quickly as possible.

States should do as much as possible to help students in the most financial need—those at greatest risk of not earning postsecondary credentials. States can provide this help by aligning and deploying available resources across federal, state, local, and employer sources. Specific strategies to realign and deploy funds in ways that better support low income students include:

- Developing an affordability assessment of how much different students pay after aid to earn different types of credentials and a benchmark of how much they should pay;
- Using the affordability assessment and benchmark to align funding across types and sources with expected contributions from students;
- Creating incentives and resources for low-income students to complete programs as quickly as possible, such as aligning financial aid and support for basic living expenses, support for early or on-time completion rebates, summer attendance, completion of 30 credit hours a year, tuition remission opportunities, and on-the-job training;
- Applying behavioral economics research when designing or reforming aid programs and policies;



- Using research to inform communication with students and families about the price of attendance, total cost of earning a credential, financial support, employment outcomes of graduates and long-term costs of student debt; and,
- Eliminating regulatory barriers and providing financial supports for students in competency-based or accelerated programs.

INNOVATION

5 Expand Alternative, Lower-Priced Credential Paths

Make it easier for students to find and use clear, affordable paths to quality postsecondary credentials that have value in the workplace.

Many states have building blocks in place for affordable paths to credentials. For instance, they ensure that credits transfer; they encourage college course offerings in high schools; they support the assessment of prior learning for awarding college credit, demand improvements in developmental or remedial courses, and work to increase availability of online programs.

States should work to expand these affordable paths to quality credentials and increase students' use of them. To do this, officials can:

- Develop partnerships with employers, industry associations, higher education institutions, high schools, the workforce system, community organizations, registered apprenticeship sponsors, the military, and other providers of postsecondary learning;
- Ensure that these partnerships recognize learners for the skills and knowledge they have acquired in different settings and apply that learning toward a quality credential, saving time and money;
- Offer courses and programs at fixed or predictable lower prices;
- Develop alternative degree and credential paths that offer accelerated learning at lower prices than public colleges and universities, or benefit from direct industry investment, including earn-and-learn opportunities;
- Continuously assess how learning paths align with the skills and credential needs of employers in high-demand industry sectors;
- Broadly market alternatives to traditional certificates and degrees by reaching out to all potential students, including adults who have not yet pursued education beyond high school.

State capitol buildings shown on Page 1

