Principles to Guide Policymaking Regarding Higher Education Governance & Finance

presented to
Oregon Higher Education Work Group
Portland, Oregon
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• Policy considerations should encompass the full array of tools – and these tools should be aligned with goals and each other
  - Goal setting/policy leadership
  - Finance
    • Appropriations to institutions
    • Tuition
    • Student financial aid
  - Regulations
  - Accountability
  - Governance
    • Structure
    • Allocation of decision authority – who gets to decide what
## Policy Leadership

<table>
<thead>
<tr>
<th>Strategies for Achieving Goal Attainment</th>
<th>Planning and Leadership</th>
<th>Finance</th>
<th>Regulation</th>
<th>Accountability</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 2</td>
<td>Consistency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Alignment
Oregon’s Goal

To have a highly educated population and a workforce with levels of knowledge and skill that will make Oregon globally competitive.

Articulated as 40/40/20
Current Educational Attainment of 25 to 64 Year Olds vs. the 2025 Goal (40,40,20)

Sources: U.S. Census Bureau, 2007 American Community Survey (Public Use Microdata Samples; Oregon Population Survey)
The GAPS - Additional Certificates and Degrees Needed by 2025 to Meet the 40,40,20 Goal

Undergraduate Certificates:
- Additional Certificates/Degree Holders from Current Levels of Net Migration: 54,205
- Additional Certificates/Degree Holders from Current Level of Production: 83,988
- 25 to 47 Year Olds with Certificates/Degrees Who Will Still be in the Cohort in 2025: 109,591
- The Gap: 343,323

Associate Degrees:
- Additional Certificates/Degree Holders from Current Levels of Net Migration: 31,962
- Additional Certificates/Degree Holders from Current Level of Production: 146,430
- 25 to 47 Year Olds with Certificates/Degrees Who Will Still be in the Cohort in 2025: 104,013
- The Gap: 72,259

Bachelor's Degrees:
- Additional Certificates/Degree Holders from Current Levels of Net Migration: 209,106
- Additional Certificates/Degree Holders from Current Level of Production: 322,326
- 25 to 47 Year Olds with Certificates/Degrees Who Will Still be in the Cohort in 2025: 355,807
- The Gap: 58,533
The Relationship Between Educational Attainment, Personal Income, and the State New Economy Index (2008)

Source: U.S. Census Bureau, 2008 American Community Survey; Bureau of Economic Analysis
Percent of Adults with an Associate Degree or Higher by Age Group – Oregon, U.S. & Leading OECD Countries

Source: OECD, *Education at a Glance 2008*
Percent of Population Ages 25-64 with an Associate Degree or Higher, 2007

Source: U.S. Census Bureau, 2007 American Community Survey.
Percent of Population Ages 25-64 with a Bachelor’s Degree or Higher, 2007

Source: U.S. Census Bureau, 2007 American Community Survey.
Percent of Residents Age 25-64 with an Associate Degree Born In-State, 2005

Source: 2005 ACS
Percent of Residents Age 25-64 with a Bachelor’s Degree or Higher Born In-State, 2005

Source: 2005 ACS
Undergraduate Credentials & Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

*University of Phoenix Online and Western International University are excluded from Arizona’s results, but included in the National total. Their awards are not representative of Arizona’s performance as most first-time undergraduates are out-of-state residents (University of Phoenix Online = 97.4% out-of-state, Western International = 87.1% out-of-state - IPEDS fall 2008 Residence & Migration File).
Associates Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

*University of Phoenix Online and Western International University are excluded from Arizona's results, but included in the National total. Their awards are not representative of Arizona's performance as most first-time undergraduates are out-of-state residents (University of Phoenix Online = 97.4% out-of-state, Western International = 87.1% out-of-state - IPEDS fall 2008 Residence & Migration File).
Certificates Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

*University of Phoenix Online and Western International University are excluded from Arizona's results, but included in the National total. Their awards are not representative of Arizona's performance as most first-time undergraduates are out-of-state residents (University of Phoenix Online = 97.4% out-of-state, Western International = 87.1% out-of-state - IPEDS fall 2008 Residence & Migration File).
Bachelor’s Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2008

Source2: U.S. Census Bureau, 2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

*University of Phoenix Online and Western International University are excluded from Arizona’s results, but included in the National total. Their awards are not representative of Arizona’s performance as most first-time undergraduates are out-of-state residents (University of Phoenix Online = 97.4% out-of-state, Western International = 87.1% out-of-state - IPEDS fall 2008 Residence & Migration File).
Principles to Guide Policymaking
• Policy should be formulated from the perspective of the state and its citizens (both individual and corporate)
  - Institutions are means to an end, not ends in their own right
  - The ends are
    • College/program completion for students
    • A supply of educated workers for employers
• Benefits will accrue to all
  – Geographic areas of the state
  – Racial subpopulations
Percent of Population Age 25-64 with at Least an Associates Degree, 2000

Oregon = 34.5%
Source: U.S. Census Bureau, 2000 Census
Oregon College Going Rate: Percent of Students Attending College Directly Out of High School (2008)
Community College Going Rate: Percent of Students Attending Community Colleges Directly Out of High School (2008)
Current Educational Attainment of 25 to 64 Year Olds, Oregon

Minorities = Black Hispanic, Native American

Source: US Census Bureau, 2006-08 ACS
• Higher education policy should encompass all educational programs designed to serve adults
  - OUS
  - CCs
  - Vocational Education Centers
  - Adult Basic Ed
  - ESL
• Finance policy should be structured to yield
  – Adequate funding for institutions
  – Affordability from the perspective of both students and the state
• Policies should be devised to be applied systemically – to all institutions or all institutions in a given sector
  – Not to be applied to a single institution
  – But differences in mission should be recognized and reflected in policy
• The higher education system must be an “efficient” system – producing the outcomes specified in the goals at the lowest cost consistent with the ability to maintain quality
Performance Relative to Funding: Bachelors Degrees Awarded per 100 FTE Undergraduates
(Public Research Institutions)

Source: NCES, IPEDS

Total Funding per FTE (2006-07)

Performance (2006-07)
Performance Relative to Funding: Bachelors Degrees Awarded per 100 FTE Undergraduates (Public Bachelors and Masters)

Source: NCES, IPEDS
Performance Relative to Funding: All Credentials Awarded per 100 FTE Undergraduates (Public Two-Year Institutions)

Source: NCES, IPEDS
Productivity: Total Funding per Degree/Certificate
(Weighted*, 2006-2007)

Sources: SHEEO State Higher Education Finance Survey 2008; NCES, IPEDS Completions Survey; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

*Adjusted for value of degrees in the state employment market (median earnings by degree type and level)
Funding per Degree - Total Funding (State & Local, Tuition & Fee Revenues) per Credential/Degree Awarded (Public Research)

Source: NCES, IPEDS Completions and Finance Surveys (2007-08)
Funding per Degree - Total Funding (State & Local, Tuition & Fee Revenues) per Credential/Degree Awarded
(Public Bachelors and Masters)

Source: NCES, IPEDS Completions and Finance Surveys (2007-08)
Funding per Degree - Total Funding (State & Local, Tuition & Fee Revenues) per Credential/Degree Awarded
(Public Two-Year)

Source: NCES, IPEDS Completions and Finance Surveys (2007-08)
• States have an obligation to
  - Set goals – state “what” should be accomplished
  - Establish measures of accountability – determine “whether” goals are being attained
  - Delegate to institutions the determination of the “how” goals are to be achieved