Context for Discussing Issues Confronting the North Dakota Legislature in the Changing Environment of American Higher Education

So What’s New? Circumstances Policy & Practice

Where To From Here?

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How North Dakota Compares

Competitiveness

Demographics

Finances

Productivity
Percent of Adults with an Associate Degree or Higher by Age Group
U.S. & Leading OECD Countries, 2012

NCHEMS/Source: OECD, Education at a Glance 2014 (for 2012); U.S. Census Bureau
How North Dakota Compares

Competitiveness

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Productivity
North Dakota Public High School Graduates by Race/Ethnicity, 1996-97 to 2008-09 (Actual), 2009-10 to 2027-28 (Projected)
How North Dakota Compares

Competitiveness

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Productivity
Above Average Wealth; Above Average Taxes (2010)

Per capita income (2011 – Source: NCHEMS):
- North Dakota: $45,747 (1.1 of U.S.; rank – 9th)
- U.S. Average: $41,663

Effective tax rate—state and local (2012 – Source: SHEEO/SHEF):
- North Dakota: 12.2% (160% of U.S.; rank – 2nd)
- U.S. Average: 7.6%
Higher Education Appropriation per Capita
- North Dakota: $476 (183% of U.S.; rank – 3rd)
- U.S. Average: $259

Higher Education Appropriation/FTE
- North Dakota: $7,888 (rank 7th)
- U.S. Average: $6,552

Total Educational Revenues
(Appropriations & Net Tuition Revenue)/FTE
- North Dakota: $14,640 (rank–12th)
- U.S. Average: $12,266
FIGURE 8
EDUCATIONAL APPROPRIATIONS PER FTE PERCENT CHANGE BY STATE, FISCAL 2009-2014

NOTE: Dollars adjusted by 2014 HECA, Cost of Living Adjustment, and Enrollment Index
SOURCE: State Higher Education Executive Officers
How North Dakota Compares

- Competitiveness
- Demographics
- Finances
- Productivity
### National Student Clearinghouse Information on Student Completion in Six Years

<table>
<thead>
<tr>
<th></th>
<th>Completion</th>
<th>Not Enrolled or Completed</th>
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<tbody>
<tr>
<td></td>
<td>ND</td>
<td>US</td>
</tr>
<tr>
<td>Public Universities</td>
<td>57%</td>
<td>61%</td>
</tr>
<tr>
<td>Community/2 yr Colleges</td>
<td>61%</td>
<td>36%</td>
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Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Total: Public Colleges & Universities

Source: NCES; HEDS: Completions and Finance Surveys; U.S. Data, Bureau, American Community Survey (Public Use Microdata Samples)
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Two-Year Institutions

Source: NCES, IPEDS Completions and Finance Surveys; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Research Universities

Source: NCES/HEGIS; Demographic and Finance Surveys, U.S. Census Bureau; American Community Survey (Public Use Microdata Samples)
In Sum:

You’re **Competitive**, but . . .

On **Demographics**, manageable, compared to the rest of the U.S.

On **Finance**, North Dakota higher education is well financed, can afford it.

On **Productivity**, Average but targets of opportunity differ from others.
Five Thrusts of the Change Agenda

Policy & Practice

- The completion agenda/Expanding the concept of student
- The productivity agenda/Student Learning Outcomes, Reducing Production Costs, Competence versus Seat Time
- Innovation & disruption
- The new normal for funding
- Accountability 2.0 -- Consequences
Major Issues In Sync With Your Charge

Your Charge

• 1003-45: Delivery Methods, including distance education, improving student outcomes, cost and infrastructure implications
• 1003-46: Institutional Missions, including mission differentiation, alignment with state workforce needs, and duplicative efforts
• 1003-47: Administrative Costs, including ratios of administration to instruction, salary structures, etc.
• 3046: Governance: The roles & responsibilities of the North Dakota University System, and how these break out between the State Board of Higher Education (the chair and other members) and the Commissioner.
Improving “Delivery” is central to almost all the major issues:

- Improving completion
- Improving productivity
- Embracing innovation
- Being held accountable
- Doing so with limited resources
Delivery and the Completion Agenda

- No explicit goal for North Dakota
- WICHE’s take on needed N.D. contribution to national agenda: 2.5% (241 person increase in degrees/certificates) per year to 2025.
- Can’t get there with current production function
Delivery and the Productivity Agenda

- N.D. already quite productive
- Avenues to increased productivity
  - Evidence based practice – N.D. on course with Predictive Analytics
  - Use of technology
    - Ubiquitous today; no longer an experiment
    - A means to the end, not an end in itself
    - But a powerful means – highly cost effective, w/ some caveats
      - Not effective for all learners
      - To date, not reducing equity gaps
      - Mixed results on “efficiency”
    - Not a cheap way out (you still get what you pay for)
Avenues to increased productivity (continued)

Redefining the concept of “student”

- Looking down
  - Early learning high schools (the Gates redesign)
  - College/Postsecondary in all high schools (AP, dual & concurrent enrolment, IB, CTE)

- Improving Preparation
  - Common Core
  - Reinventing Remedial – The High School as partner

- Looking up
  - Adult College Completion – low hanging fruit
  - New Adult Focus – A mighty heavy lift
North Dakota Higher Education, Your Charge re. 
Delivery Methods, and the major issues facing America

Delivery and our infatuation with innovation

- The list (partially)
  - New providers of degrees
    - The expansion of the for-profit sector & WGU
    - The expansion of on-line
  - New providers of courses & services
    - MOOCs
    - Courses only – Straighter Line, DreamDegree, etc.
    - Support services only – Insidetrack, Kahn Academy, Smartthinking, etc.
    - Bootcamps, etc.
Delivery and our infatuation with innovation (continued)

The Mega-movement – Competency Based Education

- Competency Assessment for Students’ Sake
  - Transfer – Trusting the community*
  - Demonstrated prior college level learning
    - Standard measures – CLEP, testing out, etc.
    - Prior Learning Assessment – PLA
- Competency Assessment for Institutions Sake (Educational Improvement & Credibility)
  - Predictive Analytics*
  - Degree Qualifications Profiles, Tuning
- Competency Based Education as THE delivery system
Delivery and the accountability agenda

Two major tracks

Assessment of student outcomes
- Outcome metrics: Completion, employment, satisfaction, etc.
- Tools: longitudinal student unit record data systems, including workforce data – multistate if possible, survey research

Assessment of student learning
- Entirely possible: CLA, CAAP, ETS Proficiency Profile, Work keys, Tuning/DQP, etc.
- Very controversial:
  - Whopping big change -- unAmerican
  - Fear of getting it wrong
  - Who’s responsible?
Delivery in the era of limited resources

- Quality generally costs
- Lots of promises, though, of something for nothing

How do you respond? ATFA

- Pay for performance (you can afford more for more)
- Differentiate between average & marginal costs
- Recognize differential costs
  - STEM, other
  - Lower division, upper division, graduate, professional
  - More difficult to serve versus easy to serve

- Seed innovation in delivery
- Rethink infrastructure needs – capital is more than buildings
A focus on “Institutional Missions relates most directly to three of the major issues:

- Improving productivity
- Being held accountable
- Doing so with limited resources
Institutional Missions and productivity.

- Clear mission differentiation reduces unnecessary duplication and increases productivity.
- Collaboration/brokering makes more sense in public higher education than does enhancing competition.
- All institutions of higher education serve the workforce needs of the state – Missions need to reflect each institutions area of responsibility.
- Expansion of mission **costs** and must be worth the increased investment.
Institutional Missions and accountability

You can’t have true accountability without

- Clear Missions – Absence of clear mission breeds ambiguous goals and accountability metrics
- The sum of the individual institutional missions needs to equal the State’s public agenda for higher education
- You can’t measure success in workforce development without a statewide workforce plan.
Institutional Missions in an era of limited resources

- Pay for performance *ONLY* within institutional missions
- Recognize different cost structures associated with different missions, or expect mission creep to garner resources
Focus on “Administrative Costs” can become a distraction and quagmire, so beware. But . . .

Relates most directly to three of the major issues

- Improving productivity
- Being held accountable
- Doing so within limited resources
Administrative costs as a productivity issue
- An imbalance in administrative costs can effect student learning and student success
- The dilemma: what represents an imbalance.
  - Changes in the ratios between admin and faculty over time, BUT
    - Both faculty & administrative roles change
      - Technologists often admin
      - Advisors often admin
    - Campuses business model changes over time
      - Share focused on instruction versus research (research administration), service (outreach), auxiliary enterprises (housing, food service, athletics, etc.)
- Salary structures can reflect an imbalance, BUT
  - Primarily market driven
Administrative costs as an accountability issue

- Do what you must to satisfy your “need to know”
- But recognize
  - System and Institutions must manage the enterprise, not the legislature

Appropriate legislative response

- Work with system to establish mutually satisfying metrics for reporting and examining administrative costs
Administrative costs as a financial management issue.

- Work with system to establish mutually satisfying metrics for reporting and examining administrative costs
- Meet with Regents to discuss findings and share concerns, based on the established metrics
Governance is most closely related to the productivity and accountability issues.

The State Board of Higher Education has the major fiduciary responsibility for public higher education in the state.

With respect to productivity:

- Fostering cost effectiveness in expenditure of resources.
- Establishes the Public Agenda for higher education in the State
- Hires the CEO and Institutional leaders of the system to Lead and Manage this Agenda
- Works with key stakeholders, most notably the Governor and Legislature, to foster collaborative policy direction
North Dakota Higher Education, Your Charge re.
Governance, and the major issues facing America

With respect to Accountability:

- Develops metrics for measure effectiveness and efficiency in progressing the public agenda
- Redirects policy when metrics demonstrate change is needed.
Managing Change – Choosing Chaos or Intentionality

- **The Change Agenda**
  - Massive
  - Rapid
  - Often fact free
  - Scares and Threatens Many

- **Impact**
  - The way we provide education
  - Who we educate
  - The way we assess quality & effectiveness
  - The way we finance the enterprise
Implications for North Dakota

- Be Aware
- Be nimble
- Be ready to change, even if you are already good
- Intentionality requires evidence

Thanks