California Postsecondary Education Commission

Recommendation for a Higher Education Accountability Framework

This report examines higher education goals and performance indicators found in thirty other states. Based on this review and analysis, the Commission recommends the following five statewide goals for postsecondary education in California:

- *Student Success and Efficiency in Student Progress*
- *Efficiency in Administration*
- *Diversity and Access*
- *Educational Quality*
- *Public Benefit*

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The Commission advises the Governor and Legislature on higher education policy and fiscal issues. Its primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities. More information about the Commission is available at www.cpec.ca.gov.

Foreword

At its December 2004 Commission meeting, the Public Law Research Institute (PLRI) at Hastings College of the Law presented a report on accountability statutes in various states across the nation. The research from PLRI outlined those states that have accountability frameworks written in law, which entity within each state is designated with the responsibility of carrying out the duties of measuring performance, and the degree of flexibility afforded to the implementing agency to make adjustments to the framework. The report identified five primary questions upon which the Institute focused its examination:

1. **Authority to establish goals:** Is the statute itself comprehensive, or does it simply delegate the task of defining goals and measuring progress to an agency or to the institutions?
2. **Defining Goals**: If the statute itself defines goals, what are they and how specifically are they defined?
3. **Establishing Performance Measures:** Does the statute define performance measures by which progress toward a goal can be assessed?
4. **Establishing Reporting Requirements:** What reporting mechanisms are used to track progress?
5. **Enforcement:** What, if any, enforcement mechanisms are used to hold institutions accountable?

Commission staff found the research conducted by PLRI useful in identifying state statutes pertaining to higher education accountability. While they did not present the specific legislative language, they did reference specific states to exemplify the variance in approaches.

CPEC staff reviewed the accountability frameworks found in other states, both states with legislatively mandated goals and measures, as well as those that do not have frameworks written in law. As a result of this process, staff recommends an accountability framework proposal for California that mirrors the best and most commonly used practices from various states that have measured performance of their respective higher education systems.

Audience for Accountability

In order to determine whether accountability should be implemented at the system level only or if it should measure the performance of individual institutions, the state should first establish the target audience and then create the framework accordingly. If the framework is intended for the consumption and easy digestion by busy legislators and legislative staff, the data should be reported, as aggregated data, by university system. Streamlining the reporting and keeping the data concise ensures maximum utilization of the information by policymakers.

On the other hand, perhaps consumer and market forces would be much more effective than the Legislature, Governor, or coordinating board at holding the systems of higher education accountable. Operating under that theory, an accountability framework at the institutional level is necessary. Texas recently launched an interactive website that illustrates this point. Parents and students are able to match any performance measure, such as "time to degree", with any of the public institutions in the state. This is an attractive feature to anyone who is exploring potential college or university campuses. Competition to attract qualified students may not only function in making the campuses accountable for their service and quality, it could also work to promote increased and more detailed information sharing. For example, if the School of Physical Sciences at UC Irvine boasts the shortest "time to degree" in the UC system, it is likely to promote that information, thereby advancing accountability efforts.

When all interested audiences have greater and more simplified access to information regarding our systems of higher education, the better equipped Californians are, as policymakers and consumers, to make sound decisions. Information should be presented in varying levels of detail in order to accommodate the needs of different audiences. For this reason, it is the duty of CPEC, as an independent and non-partisan research entity, to provide information that is useful to a wide array of constituents. Consistent with the majority of states that have accountability frameworks, some institutional-level data should be readily available for interested policy makers, students, and parents.

Methodology

In order to determine the most common goals and performance measures that could be used in an accountability framework, staff examined the accountability models of thirty states, twenty of which have accountability frameworks in statute. However, within those twenty states, nine of them have no specified goals or indicators written in statute. Instead, those nine states designate the authority to develop the framework to the higher education coordinating body or the university system boards.

- States That Mention Goals in Statute: *Colorado, Connecticut, Florida, Kansas, Louisiana, Massachusetts, Minnesota, New Mexico, Oregon, South Carolina, Ohio*
- States That Mention Indicators in Statute: *Colorado, Connecticut, South Carolina*
- States That Statutorily Designate the Higher Education Coordinating Body or the University System Board to Develop All or Part of Framework: *Arkansas, Kentucky, Maryland, Minnesota, Missouri, New Jersey, North Dakota, South Carolina, Utah, Washington, West Virginia*

Numerous states have succeeded in implementing accountability frameworks by using alternative approaches to legislation. Some state higher education accountability frameworks, such as Texas, operate under the initiative of an executive order. Others, like Oklahoma, have accountability frameworks because

the coordinating body implemented one, and in some cases, the university system boards decided to enact performance measurement policies. This analysis includes some of these non-legislative accountability frameworks for the purpose of gaining further information regarding the most commonly utilized goals and performance measures.

Most Commonly Identified Goals:

Of the thirty states examined in this accountability study, five consistent state goals emerged:

- Student Success and Efficiency in Student Progress
- Efficiency in Administration
- Diversity and Access
- Educational Quality
- Public Benefit

Senate Bill 1331, passed by the legislature but vetoed by the Governor last summer, outlined four statewide goals that, collectively, fall into three of the aforementioned goals. The goals of SB 1331 were (1) Educational Opportunity: "This goal envisions that all Californians have reasonable and equal opportunities to attend college", (2) Participation: "This goal envisions that California higher education serve a large and diverse population", (3) Student Success: "This goal envisions that California higher education prepare students well for life and work," and (4) Public Benefits: "This goal envisions that California higher education benefit the state and its people by providing meaningful participation in civic life and support the state's economy."

The goals of SB 1331 are encompassed in three of the five most commonly stated goals by other states. The SB 1331 goals of "Educational Opportunity" and "Participation" fit together within the universal goal of Diversity and Access. The other two SB 1331 goals, "Student Success" and "Public Benefits" are also common goals found in many other states. SB 1331 covers three of the five "nationwide" goals for higher education, and provides an excellent foundation upon which the state can build a more comprehensive accountability framework.

SB 1331 does, however, fall short of declaring two very important goals as priorities for the California system of higher education. "Efficiency in Administration" is a critically important ideal toward which universities should strive, and "Educational Quality", is widely used to ensure that students are not only graduating in a timely manner, but that they receive the highest caliber education possible.

The following is a description of each of these five goals and the performance measures that are commonly used to determine success in achieving those goals. *The purpose of this paper is to inform policy makers of tried and tested goals and indicators used in the majority of states that have accountability frameworks for higher education, and suggest that California seriously considers adopting some or all of these goals.*

1. **Student Success and Efficiency in Student Progress** – This goal declares the importance of a timely and efficient progression of students working to achieve their educational aspirations. It strives for high completion rates while minimizing wasteful "overage" units that are costly to institutions and the state. Performance measures used in multiple states to determine success in achieving this goal include:

    - Retention Rates
    - Four and Six-Year Graduation Rates
    - Retention and Graduation Rates of Transfer Students
    - Time to Degree (broken down by program)
    - Immediate Employment Placement, Exam Achievement and Graduate School Admission
    - Degrees and Certificates Conferred
    - Excess Credits Upon Graduation

2. **Efficiency in Administration** - This goal declares the importance of striving to achieve the most resourceful allocation of state funds within university administration. Performance measures used in multiple states to determine success in achieving this goal include:

   - Institutional and Instructional Expenditures Per FTE (Undergraduate and Graduate)
   - Allocation of Administrative Costs (Staff, Equipment)
   - Percent of State Appropriations for Higher Education
   - Research Grants and Contracts Secured
   - Space Utilization

3. **Diversity and Access** - This goal declares the importance of ensuring that any Californian who desires a college education will be afforded that opportunity. This goal covers a wide range of access issues from outreach and preparation to affordability to racial and socioeconomic representation on campus that reflect the state's population. Performance measures used in multiple states to determine success in achieving this goal include:

   - Number of Distance Education Programs
   - Enrollment Trends (Including Percentage of Students Applied/Admitted/Enrolled, Retention and Graduation Rates) by Sector, Program, Academic Level, Gender, Race, Transfer, First-Time Freshmen and In/Out-of-State Students
   - Proportion of Minority Students to Minority Population of State
   - Cost of Higher Education (and Area Cost of Living) as a Percentage of Household Incomes
   - Part-time vs. Full-time Student Ratio
   - Federal and State Financial Assistance Awarded
   - Outreach Programs

4. **Educational Quality** - This goal declares the importance of providing students with a first-rate educational experience by examining the quality of instruction and student access to faculty and advisors. Performance measures used in multiple states to determine success in achieving this goal include:

   - Student to Faculty Ratio
   - Post-Graduate Status and Satisfaction with Education and Advising (Alumni Surveys)
   - Faculty Teaching Workload
   - Credentials of Faculty
   - Faculty Compensation
   - Employee/Faculty Diversity
   - Retention and Tenure of Faculty

5. **Public Benefit** - This goal declares the importance of the university's role in the well being of the state and its economy. Our society relies on a tight nexus between the system of higher education and the people whom, directly or indirectly, it serves. Performance measures used in multiple states to determine success in achieving this goal include:

   - Universities Meeting Workforce Demand (Employer Surveys)
   - Research and Generation of Revenue and Patents
   - University and Faculty Devotion to Public Service and Outreach Programs
   - Income of Graduates
   - K-12 Collaborative Efforts
   - Percent of Population with a College Education

Data Availability

Data regarding some of the performance measures stated are readily available to the Commission; however, the data are insufficient to do longitudinal tracking of student progress through the California higher education system. Currently, the indicators that CPEC staff is able to report on include retention rates, graduation rates, time-to-degree, proportion of minority enrollment to state minority population, part-time to full-time student ratio, and other enrollment trends. While these are very important measures on which to report, they only pertain to two of the five recommended statewide goals.

The UC and CSU have not reported unique student data that is critical to CPEC's ability to conduct comprehensive analysis and recommendations. Five years following the passage of Assembly Bill 1570, which granted CPEC the authority to collect student data, the bill's intended outcome has not been accomplished. The state cannot make well-informed policy decisions regarding higher education absent a free-flowing exchange of student enrollment data from the university systems to policymaking entities.

Next Steps

The goals and measures identified in this report provide insight to policymakers, higher education analysts, and parents and students throughout the nation. They are tools to understand the trend of nationwide standards so that California can make informed decisions about holding its postsecondary institutions accountable for the quality of education provided to its citizens. Further research must be conducted, however, to determine the success of these goals and measures in the various states that utilize them; developing a framework with proven successful elements continues to be a work in progress.

While it is important to understand trends regarding accountability throughout the country, the Commission does not underestimate the importance of addressing the unique climate of postsecondary education in California and tailoring a framework accordingly. There are a number of performance measures that, although not utilized by other states, warrant further consideration for inclusion because of their importance to the people of California. In addition, universities should be given the opportunity to develop measures that reflect and report on the progress toward each of their institutional missions. Working within the framework outlined in this report, staff will examine options to customize a model that fits the specific character and needs of our state.

In the meantime, the Commission's information systems analysts are currently working to develop an interactive accountability prototype on the CPEC website. This website is intended for the use of legislative staff, higher education analysts, students, parents, and others interested in the performance of California postsecondary institutions. Similar to an interactive website maintained by the Texas Higher Education Coordinating Board, users would be able to match a performance measure, such as time-to-degree, percent of ethnic population participation, or average cost of student living, with any institution in the state. By presenting this information in an easily accessible format, the systems of higher education become more accountable to parents, students, and the general public. In addition, legislators are able to access specific information regarding higher education immediately without digging through research findings or waiting weeks for a report to be completed.

The California Postsecondary Education Commission remains committed to the accountability effort for higher education. Staff will continue to provide information regarding best practices in measuring performance, as the state pursues legislative and non-legislative means to hold our institutions to the highest standards of efficiency and quality.

Recommendations

Recommendation 1: CPEC recommends that the Legislature enact a statutory accountability framework for higher education in California. This framework should enable the state to assess the performance and effectiveness of its public colleges and universities in meeting the state's needs.

Recommendation 2: Recognizing that there are two primary audiences interested in higher education accountability, state policymakers and consumers of higher education, different types of accountability information are needed. For state policymakers, accountability data should focus on the effectiveness of the state's higher education enterprise as a whole, in addition to each of the state's higher education systems. For consumers of higher education, accountability information should focus on individual institutions and programs. CPEC recommends that the state's initial efforts be targeted on development of accountability data for state policymakers. Subsequent efforts should focus on the development of information to assist consumers of higher education.

Recommendation 3: In enacting an accountability framework for higher education, the legislature should clearly articulate the policy goals it expects from its public colleges and universities. CPEC recommends that, at a minimum, the accountability framework include the following five goals:

- Improve Student Success and Efficiency in Student Progress;
- Efficiency in Administration;
- Enhance Diversity and Access;
- Educational Quality;
- Public Benefit.

Recommendation 4: CPEC recommends that in enacting the state's higher education accountability framework, the legislation should require the development of specific performance measures for each of the recommended goals. As noted above, CPEC has identified several appropriate performance measures that correspond with each goal. These performance measures should be considered a starting point for the state's accountability reports.

Recommendation 5: CPEC recommends that the Legislature delegate the authority and resources necessary for CPEC to implement the proposed accountability framework.