ITEM 9 ■ DRAFT

California Postsecondary Education Commission

June 2006

On the Path to Higher Education Accountability: Recommendations from the Accountability Advisory Committee

This update summarizes the development of an accountability framework for higher education. It sets forth goals, performance measures, and a research outline generally agreed upon by the Accountability Advisory Committee.

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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.

Draft Commission Report

Background

In the fall of 2005, CPEC staff convened an Accountability Technical Advisory Committee (ATAC) with representatives from the public and private university systems, the community college system, the Department of Education, and education researchers. The purpose of this committee was to obtain feedback regarding the Commission's online data resources and the use of these resources in forming a statewide accountability framework for public higher education.

Many of the ATAC members had participated in the writing of Senate Bill 1331 (Alpert), which proposed a statewide framework for higher education accountability. Although the bill was not signed into law, the research and discussions emanating from the effort led to the Commission's current efforts.

During the year SB 1331 was moving through the legislative process, and in the two years since it was vetoed, the Commission has conducted research and evaluation of other statewide frameworks across the nation. The purpose of such studies was to develop an understanding of the strengths and weaknesses of various accountability frameworks and to pinpoint measures deemed accurate in determining progress toward state higher education goals. As the independent body likely to administer any accountability framework, legislatively mandated or otherwise, CPEC staff believed that convening a committee that included participating parties in the SB 1331 process would provide an informative and collegial next step in making a statewide accountability framework a reality.

Committee Discussions

The first meeting of the ATAC was constructive in developing a common understanding of what a statewide accountability framework should be. It was also a forum for addressing questions and concerns about the intent behind the use of a framework. Committee members expressed concern that the CPEC On-Line Data System might become a substitute for a comprehensive accountability framework. It was Committee consensus that an on-line data system by itself would not provide written context or analysis and thus would not be useful to policymakers. The CPEC On-Line Data System remains a useful tool for researchers and policy analysts and will assist in, but remain separate from, the accountability effort. The ATAC recommended the following guiding principals to assist in the development of the accountability framework:

- The statewide goals should be structured in the form of questions;
- There should be no more than three to five performance measures for each goal;
- The measures should be statewide but linked to additional data sources for regional or institutional information; and
- Performance measures should include, whenever possible, those measures agreed upon by the higher education community.

Based on the goals and measures determined by the participants, along with CPEC findings from three separate studies that evaluated accountability efforts in various states, the Committee decided on four statewide goals and corresponding performance measures upon which to build a higher education accountability framework for California.

Goals for California Public Higher Education

The following four goals reflect the general consensus of the Committee.

1. **Does California foster reasonable and equitable opportunities for individuals to enter college prepared to succeed in higher education?**

   California's Master Plan for Higher Education envisioned a system of higher education open to all Californians. At the statewide level, this is a commitment to provide educational choice and opportunity for all qualified students. Therefore, this goal must be placed in a context of academic preparedness, with measurable outcomes focused on the responsibilities of higher education, rather than based on perceived or actual shortcomings of California's K-12 system. It should also recognize the critical role of transfer, the division of labor in California higher education, and the ability to use technology to enhance efficiency.

2. **Is California higher education affordable and accessible to all Californians?**

   Affordability has always been a priority for higher education in California. Higher education researchers and advocates for equitable educational opportunity are legitimately concerned that budget constraints and the resulting increases in tuition and fees over time created an "affordability gap", and that this gap prevents low- and middle-income families from accessing higher education. There are many questions with regard to affordability and access that must be answered:

   - Is there dependable and adequate student financial assistance available for students with demonstrated financial need?
   - Does California higher education meet the needs and aspirations of its changing population?

- Are issues of race/ethnicity/gender equity in admissions, persistence and completion being adequately addressed?

The cost of tuition and fees in California's higher education system is still comparably affordable to other states in the nation, but the cost of living is driving up overall cost of attendance, which is pricing many lower and middle-income families out of a higher education or causing them to take on exorbitant debt during their education.

3. **Are students succeeding in getting through college?**

   Student success should be measured through outcomes. Performance indicators that focus on measuring completion, educational quality, and satisfaction with the educational experience will provide an overall picture of student success. Measures should vary slightly for the different systems of higher education so that they are consistent with institutional missions and reflect the student populations attending each segment.

4. **Is California higher education making significant and lasting contributions to the State's economic, civic, and social development?**

   Higher education is a key economic driver and source of innovation, as well as contributing to the quality of life enjoyed by the citizens of California. Each segment of higher education makes unique contributions to the state's economic and civic culture and should be measured accordingly. This accountability framework should strive to assess the aggregate impact and importance of higher education and its contribution towards meeting the critical economic and social challenges facing California.

The Commission recommended a fifth goal, as presented below. This goal addresses the Commission's interest and concern about efficient public university administration. It should be noted that this goal does not reflect the committee's agreed-upon framework.

Does California foster and encourage efficiency in public university administration practices?

California 2006-2007 proposed budget allocates over $14 billion to higher education. Although this is a substantial portion of state funds, in light of the rapidly expanding student population, system and campus budgets are stretched very thin. It is critical that policymakers provide incentives for the university systems to maximize efficiency and promote cost savings. This goal would address the statewide need to uphold prudent practices with regard to new construction and use of current facilities, direct and indirect costs associated with university administration, the use of technology to improve efficiency, and adherence to reasonable compensation policies. Some measures that may be used to determine efficiency in administration include evaluation of facility utilization, percent of total operating budget allocated to administrative function, and institutional and instructional expenditures per FTE. It is also important to examine the existence of statewide cost-saving incentives that would encourage conservative budgeting.

Performance Measures

The ATAC agreed upon several performance measures that are appropriate to gauge successful progress toward achieving each of the four goals. The data for these performance measures come from various sources, including the Department of Education, the Department of Finance, the U.S. Census, EdFund, the Bureau for Labor Statistics, and CPEC's in-house student-specific data. Where possible, measures will be evaluated by segment, racial/ethnic population, and geographical region. The framework will also use multiple class cohorts, when possible, in order to understand educational trends over many years.

Research Outline

QUESTION 1	Does California foster reasonable and equitable opportunities for individuals to enter college prepared to succeed in higher education?		
	Measures	**Source**	**Specifics**
	College readiness (high school proficiency, adult proficiency)	CDE Testing Data (H.S.) CDE Adult Ed Data	CAHSEE test results by region and ethnicity
	Direct college-going rates	CPEC Online Data	Public high school grads that enroll the following term in a for-credit program at one of the public systems
	Percent of high school juniors proficient in English and Math	CDE Testing Data	From public comprehensive high schools
	Percent of 18-24 year olds with high school diploma or equivalent	Census Data	By region and ethnicity
	Percent of population age 25-49 with high school equivalent	Census Data	By region and ethnicity
	Adult basic skills proficiency levels	CDE Adult Ed Data	

QUESTION 2	Is California higher education affordable and accessible to all Californians?		
	Measures	**Source**	**Specifics**
	Percent of racial representation in systems of higher education compared to racial representation in the state	Dept. of Finance Data	For each year, by age. Public only, all systems, regular credit programs
	Average indebtedness of graduates at two- and four-year segments (% change in fees, % change in income)	Ed Fund Data	A unique CPEC formula should be devised for this that factors in various cost of living ranges throughout the state
	Percent of income, by quintile, needed to pay for college, before and after financial aid	Ed Fund Data	Average family income by race/ethnicity Standard financial aid package by income bracket

QUESTION 3	Are students succeeding in getting through college?		
	Measures	**Source**	**Specifics**
	Time to degree	CPEC 1570 Data System Data (UC & CSU)	Follow 2000 cohort to determine 4-year graduation rates. Separate by first time freshmen and transfers. Include race/ethnicity
	Full-time/part-time ratio	CPEC Online Data / 1570 Data	First-time freshmen and transfers, regular credit programs
	Graduation rates (persistence)	CPEC 1570 Data	By race/ethnicity. Use same cohorts as with time-to-degree
	Four-year degrees conferred for transfer students	CPEC1570 Data	This may be repetitive of "time to degree" measure but multiple cohorts can be used (1998, 1999, 2000, 2001).
	CCC 2-year degrees conferred, certificates awarded, and successful transfer	CPEC 1570 Data	Multiple cohorts for increased reliability

QUESTION 4	Is California higher education making significant and lasting contributions to the State's economic, civic, and social development?		
	Measures	**Source**	**Specifics**
	Degrees awarded in selected areas of projected workforce need	**Bureau of Labor Statistics/ EDD Labor Market Info**	**Top 10 occupations**
	Educational attainment of population	**CENSUS Data**	**Over 25 years old By race/ethnicity, geo region**
	Per capita income by educational attainment	**CENSUS Data**	**Over 25 years old By race/ethnicity, geo region**

Completing an Accountability Report

Each of the four goals included in the accountability framework is an important policy issue and will require extensive research and analysis. The Commission intends to release a working paper on each section as it is completed, with the intent to issue a final report with conclusions and recommendations by June 2007. The final report will be transmitted to the Governor, key legislators, and the education policy committees.