

MINUTES OF THE HOUSE VISION 2020 COMMITTEE

The meeting was called to order by Chairman Tom Sloan at 1:30 p.m. on February 10, 2010, in Room 785 of the Docking State Office Building.

All members were present except:

- Representative Barbara Craft- excused
- Representative Doug Gatewood- excused
- Representative Tom Hawk- excused
- Representative Joe Seiwert- excused
- Representative Lee Tafanelli- excused

Committee staff present:

- Art Griggs, Office of the Revisor of Statutes
- Doug Taylor, Office of the Revisor of Statutes
- Corey Carnahan, Kansas Legislative Research Department
- Lauren Douglass, Kansas Legislative Research Department
- Mary Koles, Committee Assistant

Conferees appearing before the Committee:

- Larry Isaak, Midwestern Higher Education Compact

Others attending:

- See attached list.

Chairman Sloan welcomed Larry Isaak, President, Midwestern Higher Education Compact (MHEC). He also recognized and greeted Pam Schutt, Deputy and Director of State Governmental Relations, MHEC, Lana Oleen, former Kansas Senate Majority Leader, Manhattan, and Bill Wagnon, MHEC Commissioner, Topeka. He invited the audience to move forward in order to better view President Isaak's Power Point presentation.

President Isaak, Midwestern Higher Education Compact, reviewed Kansas' role in the formation of and continued leadership in MHEC as well as how Kansas ranks nationally and internationally in the percentage of adults with postsecondary degrees and of young adults enrolled in higher education. He noted that supporting data and further information is available in the MHEC folder which was distributed to each Committee member. His presentation, President Isaak explained, would not be the typical MHEC speech, rather he would look to the future: higher education delivering services in many different ways.

The issue is not higher education but having an adequate supply of educated and trained citizens to ensure a successful economy; policy makers, he said, need to think this way. Collective leadership is key in this endeavor and the business sector is a crucial component. Institutions must focus on student success, graduation rates for example, and reduce leaks in the pipeline. Furthermore, decrease the demands each student places on the system: make sure students come to college fully prepared, accelerate learning, redesign course delivery, and base completion on criterion referenced assessment proficiency, rather than course completion. He encouraged creating cost-effective systems and hiring and evaluating leaders based on their cost-effectiveness.

He discussed using state policy levers effectively and strategically. For example, employ a collaborative model to define state priorities, then align state higher education policies with those priorities. He stressed focusing state policy on big goals rather than regulatory policies that impede success and observed that having more than ten (10) goals tends to detract from the big goals. Make strategic investments in completion and technology; on the other hand invest in facilities, he advised, very strategically. Concentrate on student success, affordability, and trimming costs; reevaluate tuition and financial aid policies. He mentioned MHEC's initiative to create the Midwest Credential Repository for Education, Skills, and Training which would increase portability of credit and improve translation of learning into meaningful credentialing and improve employment prospects for Midwestern citizens (Attachment 1).

Questions, comments, and discussions occurred during and after President Isaak's presentation. Participants included Chairman Sloan and Representatives Tom Hawk, Don Svaty, Mario Goico, Barbara Bollier, and Deena Horst and former Senator Oleen.

CONTINUATION SHEET

Minutes of the House Vision 2020 Committee at 1:30 p.m. on February 10, 2010, in Room 785 of the Docking State Office Building.

Chairman Sloan thanked President Isaak for his presentation, information and ideas, and Ms. Schutt for her support and former Senator Oleen and Commissioner Wagnon for attending and participating in Vision 2020 today.

The next meeting is scheduled for February 15, 2010.

The meeting was adjourned at 2:50 p.m.

Guest List

House Vision 2020 Committee

February 10, 2010

Name	Client/Authority
Lamy Saab	MHEC
Tim Carpenter	Capital-Town
MARK BORZANTAK	CAPITOL STRATEGIES: et
Ashley Ballweg	Pinegar, Smith & Assoc.
Jessica Brooks	Intern
DICK CARTER	JCCC
Bill Wagner	MHEC Commissioner



MHEC Partnering with NCHEMS on Planning Tool to Help States “Close the Gap” in Postsecondary Credentials

The United States is losing ground to other countries in the proportion of its workforce with a college degree. Given the relationship between educational level, employment and growth, this increasing credentials gap threatens the future economic competitiveness of our nation. In order to maintain pace with top performing countries the United States will need to produce a projected 15 million additional degrees and other postsecondary credentials by 2025. President Obama referenced this gap in a speech to Congress earlier this year.

To help states close the gap MHEC has contracted with the National Center for Higher Education Management Systems (NCHEMS)—and with the support of Lumina Foundation—to build a model to predict what would happen to the credentials gap if different inputs and throughputs were to change. For example, what would happen if college completion rates were to change by a certain amount? What would happen if high school graduation rates were to change? What would happen if there were changes in postsecondary participation rates of particular segments of the population? What would be the impact of closing participation and completion gaps among different socioeconomic groups?

An advisory committee comprised of SHHEO agency executives and other potential users of the resulting product will work with NCHEMS to develop a predictive model for each MHEC state that will:

- Report the size of the projected attainment gap in each year from 2010 to 2025.
- Create the model for each state constructed with data unique to the state. The model will be dynamic, enabling states to explore scenarios of their own creation and to determine how changes to selected inputs and throughputs will contribute to achievement of the state’s attainment goals.
- Determine the extent to which the gap would be closed if input and throughput variable values were equated to best state and international performances.
- Develop a report of findings and policy recommendations for each state.
- Produce a summary report of data and policy recommendations – information that can help MHEC to identify programming opportunities.

Once the model has been developed user training will be held with key agency personnel in each of the MHEC states. The models and training will be completed by the end of October. All of the cost of building each state’s model under this initiative will be paid by MHEC. In addition, as part of the contract NCHEMS will offer complementary technical assistance and consultation on use of the model for six months after release of the product. For more information contact Chris Rasmussen, MHEC’s vice president for research and policy analysis, at chrisr@mhec.org or 612-625-2431.



ADVANCING COLLEGE ACCESS AND SUCCESS

Kansas Vision 2020 Committee
February 10, 2010
Presentation by Larry Isaak, President
Midwestern Higher Education Compact

Major Sources



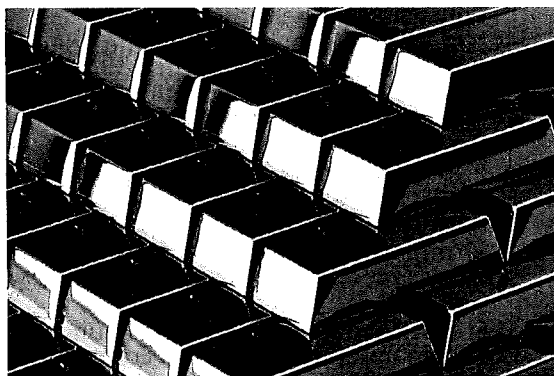
- ▶ "Measuring Up: A Midwestern Perspective on the National Report Card 2002-2008", Midwestern Higher Education Compact, Educational Policy Institute and The National Center for Public Policy and Higher Education
- ▶ "Difficult Dialogues, Rewarding Solutions: Strategies to Expand Postsecondary Opportunities While Controlling Costs, 2008, Midwestern Higher Education Compact
- ▶ "Good Policy, Good Practice: Improving Outcomes and Productivity in Higher Education: A guide for Policy Makers", 2007, National Center for Higher Education Management Systems and The National Center for Public Policy and Higher Education
- ▶ "Promising Practices: A Report from the Midwestern Education Workforce Policy Initiative, 2008, Midwestern Higher Education Compact
- ▶ Statistical data from Lumina Foundation on Education and the National Center for Higher Education Management Systems

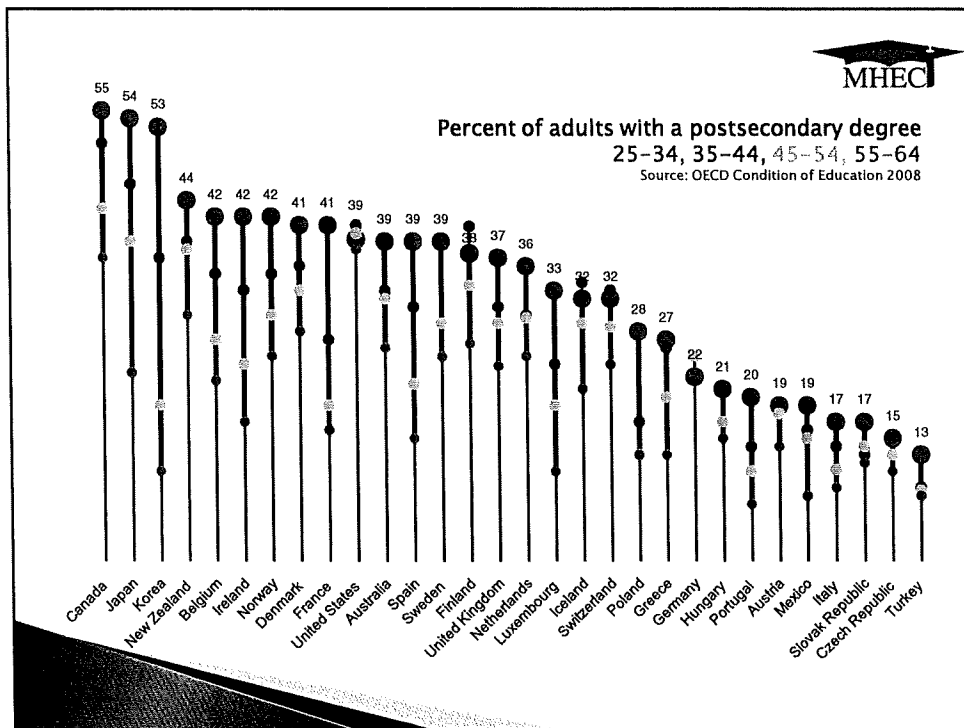
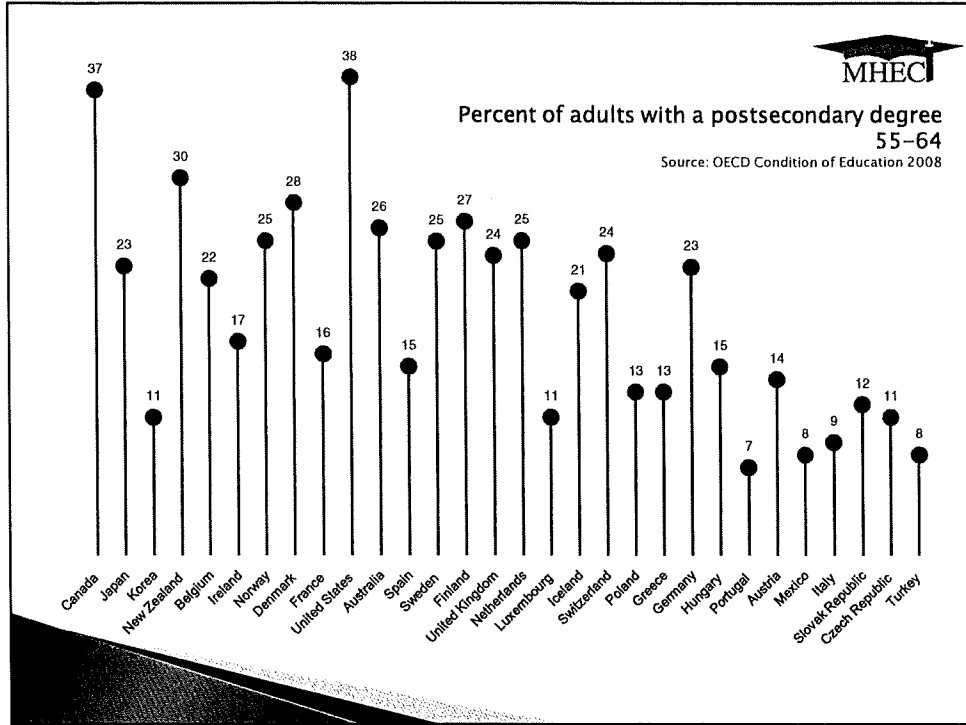
Why are access and success important?

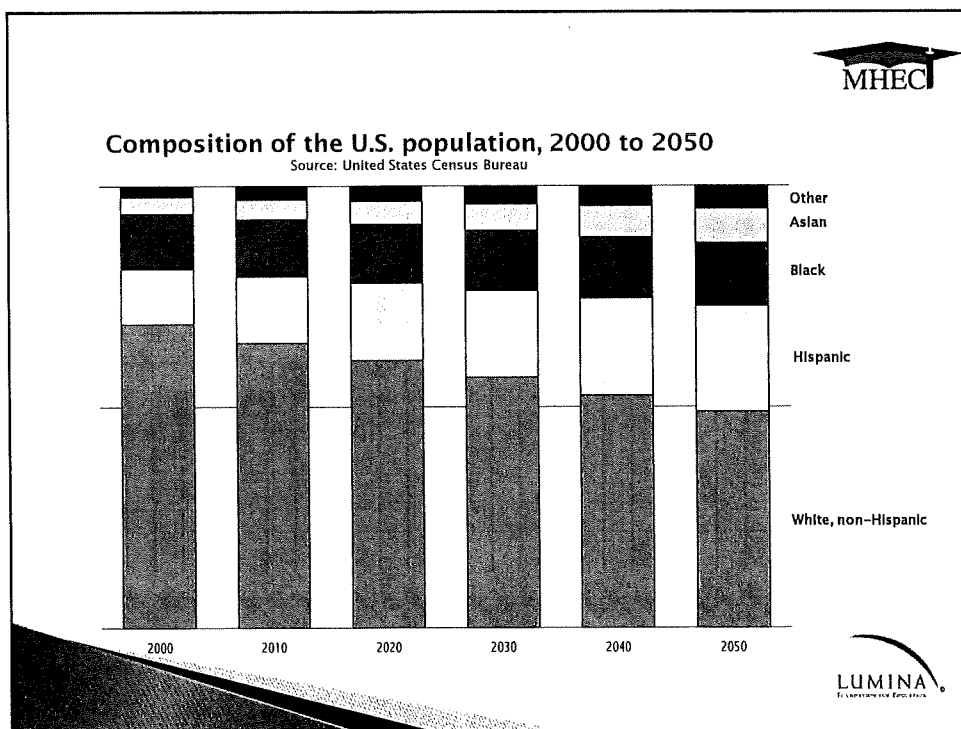
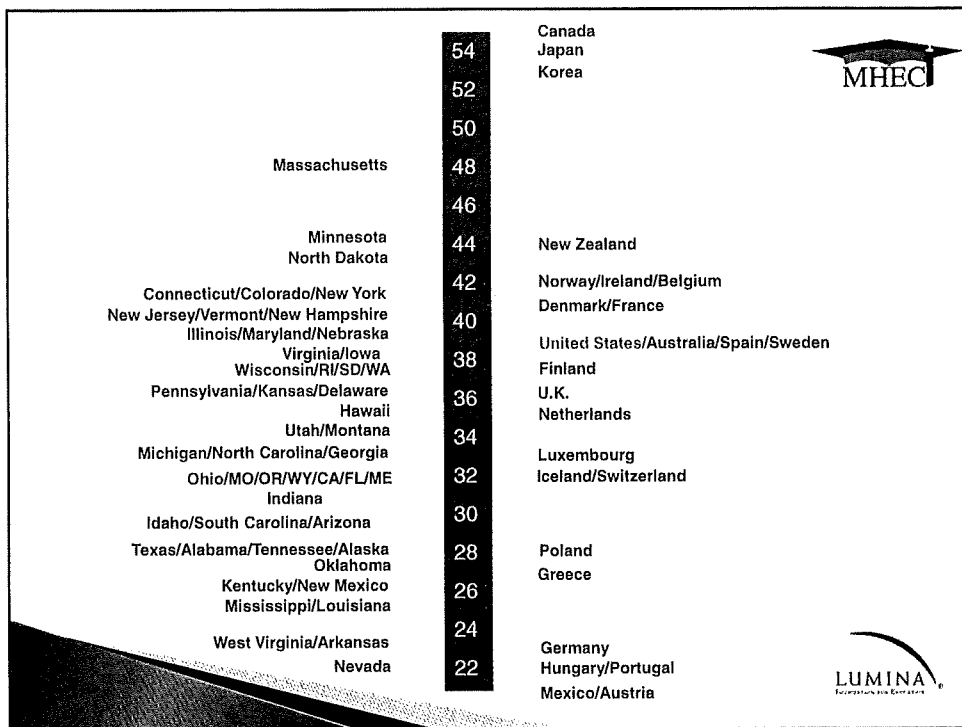


- › Economy requires an educated workforce
- › 75 million baby boomers retiring
- › Global competition for educated workers
- › Projected 15 million more postsecondary educated citizens needed in next 15 years in addition to current production

Educated human capital is the world's current and future "gold"

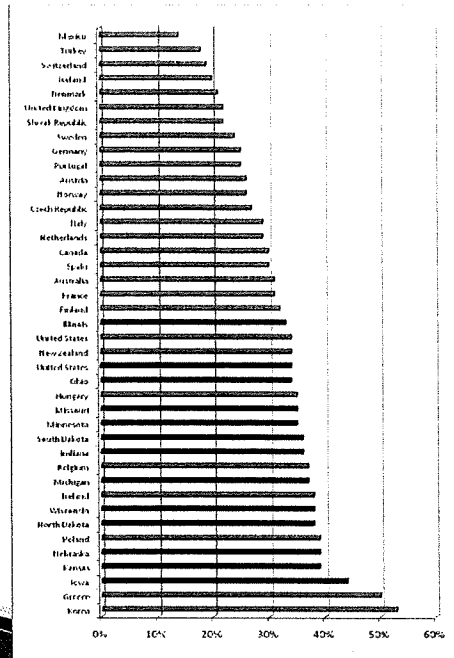






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1-5

Percent of young adults (18-24) enrolled in college by nation



Preparation grades for MHEC states, 2002 to 2008



STATE	Rank	2002	2004	2006	Change	
Wisconsin	9	A-	B+	B+	B	▼
South Dakota	10	C	B	B	B	—
Illinois	12	B+	B+	B	B	—
Iowa	13	B+	B+	B+	B	▼
Kansas	15	B	B	B-	B	▲
Minnesota	16	B-	B+	B	B	—
Nebraska	18	B	B+	B	B-	▼
North Dakota	20	B	B	B-	B-	—
Ohio	24	C+	C+	B-	B-	—
Missouri	31	B-	B-	C	C+	▲
Indiana	35	C-	C	C	C	—
Michigan	40	B+	C	C-	C	▲
TOP STATES: Massachusetts, Connecticut, Maryland, Vermont, Colorado						□

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1-6



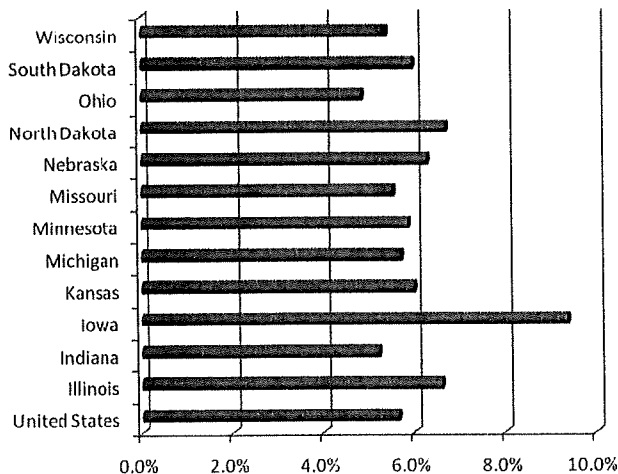
Participation grades for MHEC states, 2002 to 2008

STATE	US Rank	2002	2004	2006	Change	
Iowa	2	B+	B+	A-	A	▲
North Dakota	3	B	A-	A	B+	▼
Minnesota	4	C+	A	A	B	▼
South Dakota	5	B-	B+	A	B	▼
Nebraska	6	A	A	A	B	▼
Kansas	8	A-	A	A	B-	▼
Wisconsin	13	B	B	A-	C+	▼
Illinois	14	A	A	A	C	▼
Michigan	21	B+	B+	A-	C	▼
Indiana	23	C+	C+	C+	C	▼
Missouri	24	C+	B+	B	C	▼
Ohio	32	C+	C+	B-	C-	▼

TOP STATES: Arizona, Iowa, North Dakota, Minnesota, South Dakota



Enrollment of 25- to 49-year-olds as a percentage of 25- to 49-year-olds who have not earned a bachelor's degree, 2007





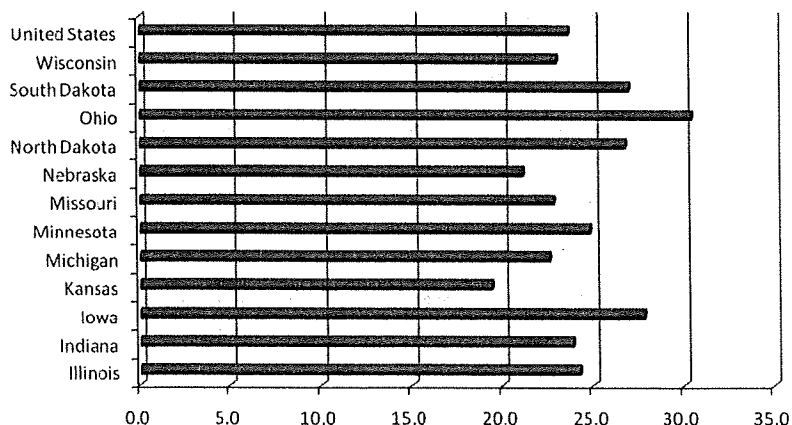
Affordability grades for MHEC states, 2002 to 2008

STATE	Rank	2002	2004	2006		
Illinois	5	B	D	F	F	—
Minnesota	8	B	C-	D	F	▼
Indiana	10	D+	D	F	F	—
Wisconsin	26	C	D	F	F	—
Kansas	31	C-	F	F	F	—
Michigan	35	D+	F	F	F	—
Nebraska	36	D	F	F	F	—
Missouri	39	D+	F	F	F	—
Iowa	40	C	F	F	F	—
Ohio	41	F	F	F	F	—
South Dakota	46	F	F	F	F	—
North Dakota	48	D	F	F	F	—

TOP STATES: California, New Jersey, Washington, North Carolina, Illinois □

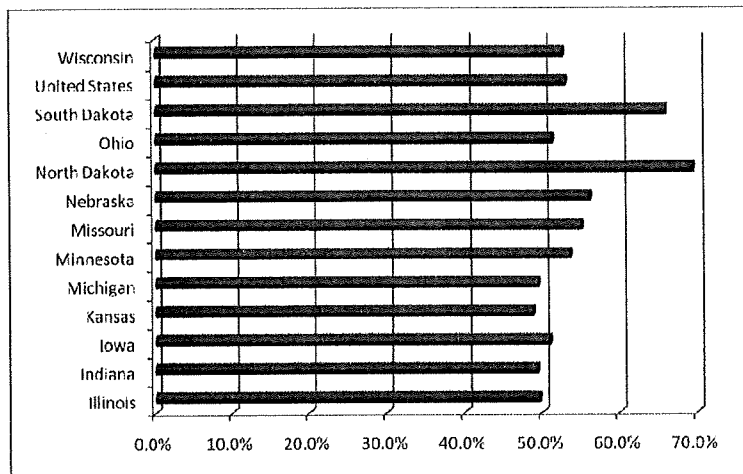


Family ability to pay, public two-year institutions





Freshman at 2-year colleges returning their 2nd year, fall 2007



Reaching 60% attainment by 2025

Graduates already in the workforce	31,000,000
New graduates from immigration	6,400,000
New graduates at current rates of production	41,000,000
New graduates needed	16,200,000

To reach a higher education attainment rate of 60% by 2025, the U.S. needs to increase the production of college graduates by 40%.

Source: Lumina; DeWayne Matthews, November 2007
Presentation to MHEC annual meeting

Student Share of Cost Rising



- ▶ State share of budget for higher education has been in continual decline
- ▶ Tuition has been continually increasing (439% in past 25 years)
- ▶ Burden of paying for college increasing more for middle and low income families
- ▶ Student debt increasing
- ▶ Federal financial aid funding increasing, but several states reducing funding
- ▶ Affordability is important

Collision Course



- ▶ Need to educate millions of more citizens

BUT

- ▶ State budgets tightly constrained

Define the issue



- ▶ It's not about higher education
- ▶ It is about having an adequate supply of educated and trained citizens to ensure a successful economy
- ▶ Business will flow to an educated citizenry.

Collective leadership required (Will not succeed by working in silos)



- Governors
- Legislatures
- Higher education boards
- Campus leaders
- Faculty
- Students
- Business sector

Determine Economic and Cultural Condition of the State



- ▶ Before talking about higher education, come to a consensus on trends shaping the state's future.
 - Global
 - Technology
 - Demography
- ▶ How can state economy compete, be successful and what has to change?

So, what to do?



- ▶ Productivity takes center stage for:
 - State and Federal policy
 - Institutional operations

What will be the big issue?



- ▶ Focus on success of students, not just enrollment
- ▶ Reduce per unit cost of success
 - Means in many cases that more students are served by constant resources

The Strategy Pyramid



Use State Policy Levers Effectively & Strategically

Create Cost-Effective Systems

Change the Academic Production Function

Reduce Demands Each Student Places on the System (Reduce Cost Per Degree)

Reduce Enrollment

Reduce Leaks in the Pipeline

- ▶ Align curricula between high schools and colleges
- ▶ Expand dual credit enrollments
- ▶ Remove timeline barriers to completion (semesters)
- ▶ Base completion on assessment rather than course completion
- ▶ Reward effective articulation and transfer mechanisms
- ▶ Improve consumer information
- ▶ Make college entry affordable

Reduce Leaks in the Pipeline

- ▶ Provide financial incentives for persistence
 - Charge less for 100 and 200 courses
 - Differentiate tuition by program
 - Use technology for enrollment and admission (electronic transcripts)
 - Provide menu of differentiated charges for different times and courses

Reduce Leaks in the Pipeline

- ▶ Significantly increase mechanisms to greatly increase participation by adults especially those who have some college credit but no degree.
 - 171,000 Kansas citizens between 25-44 with some college but no degree
 - MHEC's Credit Bank

Reduce Demands Each Student Places on the System (Reduce Cost Per Degree)

- ▶ Ensure that students come to college fully prepared
 - Ensure rigor in preparation
 - Indiana Core 40
 - Base financial aid on completion of college prep. curriculum
- ▶ Accelerate learning
 - Remove timeline barriers such as semesters
 - Award credit for experience e/learning in the workplace using rigorous assessments
 - Make test out options available (Advance placement)

Reduce Demands Each Student Places on the System (Reduce Cost Per Degree)



- Improve course completion rates
- Reduce credit hours to degree
- Focus on assessment of learning rather than process (course credits, time barriers, schedule class times)
- Three year degree option (U of Maine System)
- Set degree targets by program

Change the Academic Production Function



- Make assessment of learning the core function, rather than the process of the function

Change the Academic Production Function



► Reengineer course delivery

- Extensive use of technology for instruction, tutoring, and administrative tasks
 - Don't use technology to just replicate what is already happening in face-to-face instruction. This could add cost.
 - Anytime, anywhere delivery

Change the Academic Production Function – Examples



► British Open University

- 200,000 students per year
- Faculty develop course content and assessment
- Classes meet online or via video conferencing
- Cost savings achieved by using adjunct faculty to teach and full-time faculty to develop course and assessment design

Change the Academic Production Function – Examples

▶ Western Governors University



- Based on proficiency and/or competency
- At any time
- Students progress by completing required assessments rather than courses
- Enrollment exploding

Change the Academic Production Function



- ▶ Reward collaboration among departments and institutions to offer courses
- ▶ Reward departments that achieve “least cost” based on appropriate benchmarks
- ▶ Create programs and functions of cost-effective size

Change the Academic Production Function



- ▶ Use technology to transmit information
 - Use on-line resources rather than print materials which are costly and limited
 - Ipad, Kindle, etc. have potential to dramatically alter use of expensive textbooks, yet provide significantly more and varied information for better information.
- ▶ Tuition discounts for early completers

Create Cost-effective Systems



- ▶ Change cultural perception of a campus from “a place to go” to one of a “place that provides learning”
- ▶ Continually define appropriate mix of institutions
 - Research, two year, four year (These terms may become obsolete)
 - Don't let these rigid definitions become a barrier for offering programs based on assessment of learning.
- ▶ Focus growth strategies on lower-cost institutions/providers

Create Cost-effective Systems



- ▶ Collaborate, Collaborate, Collaborate
 - Libraries
 - Degrees and Courses
 - Select campuses offer remediation
- ▶ Create new types of providers
 - Arizona no frills campuses

Create Cost-effective Systems



- ▶ Streamline administrative operations
 - Collaboration
 - Multi-campus programs. i.e. MHEC's property insurance program
 - Outsourcing
- ▶ Hire and evaluate leaders based on these principles

Use State Policy Levers Effectively and Strategically



- ▶ Focus state policy on big goals rather than regulatory policies that impede success

Use State Policy Levers Effectively and Strategically



- ▶ Align state policies surrounding higher education to state priorities
 - Create mechanism to define state priorities
 - Create collaborative leadership model to define state agenda and higher education role in achieving state agenda
 - Don't continually change expectations of higher education through the "menu of the week"

Use State Policy Levers Effectively and Strategically



- ▶ Make strategic investments (appropriations) rather than one size fits all budgeting.
 - Invest in completion (Ohio, Indiana, Tennessee, Washington)
 - Invest in technology to lower cost per degree
 - Changing academic production function
 - Streamline administrative tasks
 - Invest in facilities very, very strategically

Use State Policy Levers Effectively and Strategically



- ▶ Develop meaningful accountability measures focused on student success and affordability and reducing costs
 - More than ten begins to take focus off of big goals

Use State Policy Levers Effectively and Strategically –



- ▶ Remove barriers to success
 - More regulation does not equal more success (It may add more cost)

EXAMPLES

- High cost purchasing process for low cost items
- Lengthy hiring procedures
- Need flexible technology policy if you want technology used effectively and to lower costs.
- Requiring minimum classroom contact hours
- Requiring credits to be earned "in residence"
- Centralizing functions in state bureaucracies not related to higher education

Use State Policy Levers Effectively and Strategically –



- ▶ Use tuition policy to reward student access and success
 - Lower charges for 100 and 200 level courses
 - Charge based on cost
 - Rebates for students who complete early
 - Link tuition increases to changes in family income

Use State Policy Levers



Effectively and Strategically

Use financial aid to improve productivity

- Increase financial aid based on completion
- Make college preparatory curriculum a condition for financial aid
- Vary financial aid amount depending on how well students are prepared and their course completion rate
- Make aid available for part-time adult learner
- Link financial aid to state priorities

Old Chinese Proverb



- ▶ *If you don't change your direction, you may end up where you are headed*