

California Higher Education: State Policy Goals

Four goals express the vision for California higher education. The accountability framework will measure progress in these areas to help policymakers make informed policy and funding decisions that will improve educational outcomes for Californians. For each goal, the key questions indicate the range of issues involved.

1. Educational Opportunity

All Californians should have reasonable and equal opportunities to attend college

Key Questions:

- ❖ Are high school graduates prepared for college?
- ❖ Are adults prepared for college?
- ❖ Is college affordable?

2. Participation

California higher education should serve a large and diverse population

Key Questions:

- ❖ Who is going to college?
- ❖ Are we able to enroll all eligible students who wish to attend?
- ❖ Does the college environment support diversity in all its forms?

3. Student Success

California higher education should prepare students well for life and work

Key Questions:

- ❖ Are students achieving their educational goals?
- ❖ Are students learning?
- ❖ Are students and employers satisfied with what our colleges provide?

4. Public Benefits

California higher education should benefit the state and its people

Key Questions:

- ❖ Does college improve individual quality of life?
- ❖ Does higher education enhance the state's economic prosperity?
- ❖ Does higher education have a positive impact on social and civic life?

California Higher Education: A Framework for Collective Accountability

Final Report and Recommendations from the Advisory Group

November 4, 2003

Background

Since the enactment of the Master Plan for Higher Education in 1960, California's higher education system has provided broad access and high quality educational opportunities and has fueled California's economic growth. Over the last few decades, education beyond high school has become ever more important to individual well-being and to the economic health of the state. A combination of factors now poses challenges for higher education and for state policymakers who ultimately are responsible for the education of Californians. Enrollment is growing, the student body is changing, costs are rising, state support for higher education is declining, student fees are increasing, and there is growing public demand to ensure that the state is making proper investments in public higher education.

It is in this context that the Legislature has expressed the need for better information to guide the development of public policy for California higher education. To date, the segments of higher education have begun to implement various accountability structures, such as the Partnership for Excellence for the Community Colleges and compacts/partnerships with the Governor for UC and CSU, augmented by CPEC's annual report of performance indicators. While useful, these segment-specific accountability efforts do not combine to reflect a coherent and agreed-upon statewide public agenda for higher education in California. They are designed to answer questions about the performance of each segment relative to its own mission. What is lacking is a mechanism to provide information about whether California is developing the necessary knowledge base among its people to sustain its economic and civic vitality.

In the absence of a state-wide focus, the state has limited access to meaningful data and analysis about how the state is performing in key areas and must make important fiscal and policy decisions without that knowledge. While mission differentiation is a strength of the California Master Plan for Higher Education, it presents challenges to evaluating higher education's overall effectiveness at a statewide level. This is especially true in addressing intersegmental issues, such as community college transfer, college preparation, affordability, and the state's capacity to educate all eligible students.

In 2002 the Senate commissioned a study to examine higher education accountability trends around the country and provide guidance in developing a statewide accountability structure in California. The resulting report produced a set of recommendations which in turn led the Legislature to convene an advisory group to develop a specific framework and structure for a statewide accountability system for postsecondary education. This work has been completed and will be presented to the Legislature with the expectation that implementing legislation will be introduced in 2004.

New Directions in the Proposed California Framework

The recommendations from the advisory group are based on extensive study of accountability efforts across the country. The proposed framework is designed to measure progress toward four broad public policy goals for higher education in the areas of (1) educational opportunity, (2) participation, (3) student success, and (4) public benefits. The framework calls for a statewide reporting system that identifies a select number of key indicators to measure progress toward these state goals and includes annual reports from the segments. State-level reporting is accompanied by reporting from each segment to examine how its goals and priorities further those of the state. Some key aspects of the framework are presented below, followed by the state goals and a guiding set of principles intended to unite educators and policymakers in this effort to enhance educational outcomes for all Californians.

Our approach differs from most accountability systems in ways that are subtle yet fundamental. The advisory group believes that these new directions will position California to overcome many of the barriers that have impeded efforts in other states.

1. Promote *collective* accountability for state educational outcomes

California's accountability framework is designed to answer questions about how well the state as a whole is meeting its goals for educating Californians. Ours is a very different approach than that taken in most states, where accountability efforts tend to focus on the comparative performance of individual colleges and universities with no overarching state policy agenda. This traditional approach sends a message that we want to avoid: that prevailing educational conditions are simply the sum of the efforts of the individual colleges and universities. The message we want to convey in this proposal is that the educational condition of the state and its people is the result of a number of factors including the efforts of colleges and universities, the K-12 system, social and economic conditions outside the direct control of educational institutions, and the explicit and implicit choices that state policymakers make to design, maintain, and fund California's education systems. By suggesting that there be *collective* accountability for achieving an explicit state policy agenda, we hope to build consensus among all parties about the importance of this effort for the future of the state.

2. Distinguish between state-level and institutional accountability and provide for both

Many state accountability systems combine, or even confuse, state-level and institutional accountability, with the result that the system serves neither purpose well. Our framework recognizes that both kinds of accountability are necessary but require different kinds of oversight structures. State-level accountability is designed to influence state policy and must produce information that is relevant to state policymakers. Institutional accountability is designed to monitor the effectiveness of individual institutions in meeting their unique missions and is the responsibility of the institutional governing boards. It produces data that is useful to governing boards and administrators in promoting effective institutions. Where the two kinds of accountability must be

connected is through a common set of goals so that in discharging their responsibility to manage effective institutions, governing boards are also assuming responsibility for advancing the state's agenda for higher education.

3. Produce a state-level report with data that informs policy and budget development

In order to keep state-level reporting simple yet meaningful, we recommend that data be provided in three formats that are most useful for state policy decisions: (a) statewide aggregate information about educational outcomes, (b) regional breakdowns to show outcomes across all institutions serving a specified region, and (c) aggregate totals for each segment of higher education.

The "litmus test" for the indicators included in the state report should be whether they produce information that policymakers can use to identify appropriate policy interventions. These interventions could take a number of forms. They could be changes to state policy such as financial aid eligibility or fee policy. They could be changes to budget policy, such as setting priorities for funding initiatives that promote intersegmental cooperation around an identified state priority. Finally, if the data revealed issues that were best addressed at the segment level, the intervention could be a request that the segment address the issue within its internal monitoring structures and report back on its resolution.

Since policymakers want assurance that their investments in public higher education are well-founded, a key purpose of this framework is to produce data that is useful in budget decisions. We endorse the notion of "priority budgeting" by which data from the reporting system is used to determine the priorities for funding. We do not endorse the formulaic approach to "performance budgeting" which many states are now abandoning after unsuccessful attempts at implementation. While appealing in theory, performance budgeting has not worked well in practice because of controversies inherent in the use of imperfect measures, targets, weights, and formulas for adjusting budgets. Moreover, most performance budgeting plans identify only a small percentage (2-5%) of the budget for rewarding performance. This marginalizes performance compared to an approach that demands results of the state's entire budgetary investment.

4. Provide for institutional accountability that promotes state goal achievement

The leadership of each segment is responsible for collecting and reporting information to be included in the state report and for maintaining institutional accountability within the framework of the state's goals. In this manner, each segment can set its own priorities consistent with its unique mission, monitor campus performance with respect to those priorities, and modify institutional policy and practice as warranted by the data in the pursuit of system priorities and state goals. In keeping with the division of responsibility between state policymakers and institutional governing boards, institutional boards should establish their own internal processes for establishing priorities and monitoring campus performance and should keep state policymakers informed about those processes and their impact on state goals. To ensure the connection between institutional

accountability and state-level accountability, we recommend that each segment submit a short (5-10 pages) annual report to the Legislature and Governor, to become part of the state accountability record, that includes the following information:

- the segment's main priorities for each of the state's goal areas;
- the major activities underway to address each priority;
- the performance indicators used to track progress toward each goal (not the data);
- major highlights or issues from the data that have state-level significance; and
- how the segment assesses student learning and uses the results to improve learning.

5. Measure student success and monitor student learning

The state reporting system should focus on broad measures of student success rather than direct measures of student learning. While student learning is critically important, the responsibility for developing qualitative and quantitative assessments for learning outcomes is appropriately placed at the institutional level. The measurement of student learning is a complex undertaking given higher education's diversity of mission and the absence of standard learning outcomes across programs and institutions. Other states have attempted to include direct measures of student learning in a state accountability report but none has yet found a satisfactory means to do so. We recommend instead that the segments be accountable to policymakers for having effective mechanisms in place to assess and improve student learning but not for reporting the actual student learning data. California should revisit this issue at a later time when learning outcome assessments are further developed. In the meantime, it is most useful for state policymakers to monitor indicators of student success such as: Are students graduating at reasonable rates and without taking excessive numbers of courses? Do students who begin with shortfalls in academic preparation complete remediation and succeed at college-level work? Are transfer mechanisms working successfully to provide baccalaureate education to students who begin at two-year institutions? Are students being prepared to meet the civic and economic needs of the state?

Principles for State-level Accountability

The distinguishing features of the California framework can be summarized in a set of principles:

1. Purpose of state-level accountability framework

A state-level accountability framework should help policymakers design, maintain, and fund an education system that meets the state's goals and should guide the segments toward maintaining effective institutions consistent with state goals and institutional missions.

2. Institutional accountability and governance

Monitoring the performance of individual colleges and universities is the responsibility of institutional governing boards.

3. Linking institutional accountability and state-level accountability

The segments should conduct institutional accountability within the framework of the state's policy goals and keep state policymakers informed about how segment goals and priorities contribute to state goals.

4. Outcomes information

The state-level reporting system should contain only data that helps policymakers assess progress toward state goals and evaluate policy and funding options. Statewide, regional, and system aggregate data are all useful for this purpose; campus-level data are not. As new and better data sources are developed, existing proxies may be preferable to the absence of data.

5. Student learning

Assessment of student learning is the responsibility of the segments. The state role is to examine broad measures of student success and to monitor the processes used by the segments to assess and improve student learning.

6. Relating accountability to budgets

The state-level data should help identify the priorities for funding. Data-driven discussions about budget sufficiency and funding priorities should become a routine part of the existing decision processes.

7. Making the data useful

Data should be communicated publicly in a concise manner that conveys clearly the relevance of each measure to state policy choices.

8. Sustaining the system

A strong, competent, and independent steward is needed to build and maintain this system so as to earn the support of policymakers and educators alike.

Members of the California Accountability Advisory Group

Steve Boilard
Director, Higher Education Section, Legislative Analyst's Office

Jonathan Brown
President, Associate of California Independent Colleges and Universities

Patrick Callan
President, National Center for Public Policy and Higher Education

Joni Finney
Vice President, National Center for Public Policy and Higher Education

Marlene Garcia
Senior Consultant, Senate Education Committee

Todd Greenspan
Office of the President, University of California

Bruce Hamlett
Chief Consultant, Assembly Higher Education Committee

David Longanecker
Executive Director, Western Interstate Commission for Higher Education

Colleen Moore
Research Specialist, Institute for Higher Education Leadership & Policy, CSU, Sacramento

Thomas Nussbaum
Chancellor, California Community Colleges

Patrick Perry
Vice Chancellor, California Community Colleges

Rona Sherriff
Senate Office of Research

Nancy Shulock
Director, Institute for Higher Education Leadership & Policy, CSU, Sacramento

David Spence
Executive Vice Chancellor, California State University

Larry Vanderhoef
Chancellor, University of California, Davis

Jane Wellman
Senior Associate, Institute for Higher Education Policy, Washington, DC

Karen Yelverton-Zamarripa
Assistant Vice Chancellor, California State University