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Testimony to the Joint Committee on the Master Plan for Higher Education
Principles for Effective Statewide Accountability
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My comments will address three topics:

1. How should we understand "accountability" and its purposes in the context of addressing higher education performance in California?
2. What principles should guide us in moving forward to adopt an effective accountability approach?
3. What next steps might be taken to set up effective accountability for California higher education?

What is Accountability and What Purposes Should it Serve?

You have heard, over the course of these hearings on the Master Plan, about the daunting challenges facing higher education in California. At the last hearing I, along with others, gave you some pretty dismal facts about how poorly California is measuring up – with respect to other states and, more importantly, with respect to meeting the needs of Californians. Far too few students are graduating to meet the workforce needs of the state. We have unconscionable gaps in enrollment and graduation among racial and ethnic groups and across the regions of the state. And a college education is rapidly becoming beyond the financial reach of many Californians.

I made a point, in my discussion of statewide coordination, of distinguishing between our institutions and our system of higher education. I said that we have world class institutions but we lack a world class system, because we are not coordinating the efforts of our world class institutions to meet the needs of California. It is precisely the distinction between individual institutions and a *system* of higher education that can help us understand how to approach accountability in higher education and how *not* to approach it. In a nutshell, we must design an accountability system that produces information for policymakers, *not* about the performance of individual institutions, but about the collective performance of our higher education system to meet vital state

educational goals. The information must help policymakers make informed choices about state policies and state investments.

Relating back to last week's topic of coordination, not only do we lack effective mechanisms for coordination but we lack the information that would inform efforts to achieve such coordination. First, as the Legislative Analyst's Office, and our Institute, have pointed out recently, we have no statewide goals – no "public agenda" for higher education. That should be step one. A public agenda can become the basis for a statewide accountability system designed to generate information about where we are in relation to our goals. That information, in turn, can guide decisions about resources and policies.

The best definition I have seen of accountability to suit this purpose was put forth several years ago by a coalition of educators and business leaders:

> **"Accountability is the public presentation and communication of evidence about performance in relation to goals that reflect a public agenda."**

This definition helps us understand how a state-level accountability system differs from other kinds of accountability and from conventional wisdom about accountability:

- State-level accountability is *not* consumer-oriented accountability

  Colleges can provide information to parents and prospective students to help them choose which college to attend. That is *not* what this effort is about, although it's a good thing and we should make sure our colleges and universities provide that kind of information. But this kind of information will not help lawmakers craft higher education policies and budgets.

- State-level accountability is *not* institutional accountability

  There is a strong conventional wisdom that accountability must involve rating, grading, ranking, and perhaps punishing individual institutions. That is not what this is about. Governing boards certainly should monitor the performance of the institutions within their purview and should help lower-performing institutions raise their performance. But such information will not help lawmakers craft higher education policies and budgets. It will lead to pointless and even dangerous attempts to compare institutions that are not comparable. And it will encourage the segments to kill more trees to produce a "data dump" of statistics for every college and university. This is the classic case of "data" that is not "information." A state-level reporting system should produce data that is relevant to, and can inform, state-level decision processes.

- State-level accountability is *not* about imposing negative consequences

  Conventional wisdom sees accountability holders and accountability "holdees." Accountability is achieved when the latter squirm and heads roll, i.e., when there

are direct consequences. That is not what this is about. This effort must be about California's policy leaders and educators working together, collectively holding themselves accountable for meeting the educational needs of Californians. It is first and foremost about outcomes for Californians, not consequences for institutional leaders.

Principles for Effective Statewide Accountability

The National Center for Public Policy and Higher Education, in San Jose, has led the effort to get states to design accountability systems around state goals rather than comparative institutional performance. Their national accountability report card, called "Measuring Up" and issued every two years, has shaped state accountability efforts, such that most state plans include common themes of preparation, participation, completion, affordability, and benefits and introduce metrics to help address those performance areas.

The California Legislature has a good history of drawing on the National Center's work to address statewide accountability. At least two comprehensive bills have passed in recent years – SB 1331 (Alpert, 2004) and SB 325 (Scott, 2008). Both, unfortunately, were vetoed by the current governor, for what I believe are two reasons. First, I believe the Governor and his staff were looking for traditional *institutional* accountability with the threat of punishment for not meeting goals – not for the kind of state-level, collective accountability that can support a public agenda. Second, the issue of coordination – of who would manage the accountability effort – was not well resolved in the bills – reflecting the long-standing struggles we've faced in establishing effective coordinating mechanisms. But these two efforts did reflect a set of principles that match best practices across the country, and they did demonstrate that our higher education systems were willing to work cooperatively to design an effective accountability system.

A third bill, introduced by Senator Liu last year, (SB 775) has, unfortunately, been tabled but it can serve as a model for new efforts. It reflects precisely the kinds of purposes that should be served by a statewide accountability system, as indicated by these two passages from the bill:

> *Although the public segments of higher education have each developed their own institution-specific accountability efforts, these efforts do not combine to tell us whether the state as a whole is on track to produce enough college-educated individuals to meet workforce needs and to effectively compete in the global economy, nor do they reflect statewide policy goals that cut across all higher education segments.*
>
> *In order to achieve the educational and economic outcomes necessary to ensure the state's success, it is the intent of the Legislature that data-driven budget and policy decisions within higher education, premised on a state-level public agenda for higher education…be guided by each of the following goals….*

The bill goes on to propose goals regarding degree attainment, economic development, and closing the achievement gap.

These three efforts drew heavily from the National Center's work and from best practices in state-level accountability. The earliest effort began by developing a set of principles that all participants supported. The following ***principles*** should guide future efforts at effective statewide accountability for higher education:

Statewide Focus

- A statewide accountability system should begin with statewide goals that are part of a public agenda, or a strategic plan.
- It should help state policymakers design, maintain, and fund a higher education system that meets the state's goals.

Information Reported

- Performance information (metrics) should be limited to those items that help policymakers assess progress toward state goals and evaluate policy and funding options (*see Attachment*).
- The specific performance measures should be determined by the questions that need to be answered, not by the data that are already available; new measures should be developed if necessary to answer important questions.
- Metrics must provide the capacity to track student progress across institutions and segments.
- The number of items reported should be small (perhaps 20-30) and should be viewed as general indicators of performance. More detailed information should be sought to probe deeper as warranted.

Relation to Institutional Accountability

- Each segment should have an internal accountability process that their governing boards use to monitor institutional performance and should routinely keep state lawmakers informed about segmental performance with respect to the state's overall public agenda.
- Institution-level data for these processes should not routinely be incorporated into the state-level reporting system.
- An important component of institutional accountability is attention to monitoring and improving student learning, something that is not easy to address in a state-level reporting system.

Uses of State-level Accountability Information

- Information produced by the state-level reporting system should become a regular part of the deliberative policy and budget processes.

These principles should help to make accountability a constructive process that can gain the support of the segments. They should help prevent the generation and reporting of a lot of unnecessary data and keep us focused on the big picture – on the issues that must be addressed if California is to stem its decline in educational and economic competitiveness.

Next Steps in Addressing Statewide Accountability

The kind of statewide accountability I have described is a necessary component of effective statewide planning for higher education. But it is not sufficient because it requires a public agenda and an effective coordinating mechanism. The recent report by the Legislative Analyst's Office on improving coordination in higher education, called "Greater than the Sum of its Parts" is an important reference for any legislative efforts to move ahead on this agenda. The report lays out the need to develop a public agenda for California higher education, improve coordination, and rebuild the state's capacity for policy leadership.

Many of the states that are making strides in building the capacity to improve higher education outcomes – including the use of statewide accountability to monitor and improve outcomes – have brought in consultants from out of state to help with the process. Some of the philanthropic foundations that have been supporting efforts to improve higher education outcomes in California have suggested that approach here as well. We can also benefit by hearing directly from leaders in other states, such as Texas, Indiana, Florida, Ohio, Illinois, Washington, and Tennessee, that have made progress developing public agendas and the policies to support them.

And now I must acknowledge that in preparing this testimony, I began with the comments that I prepared for the Senate Education Committee a little over three years ago – when it held a hearing on accountability. I ended those comments with these words: "I must conclude by saying that it is not only disappointing that we are no further along than we were nearly three years ago in adopting higher education accountability in California, but it is also very worrisome, in view of the dire forecasts for the state if present trends continue." That was three years ago. The dire forecasts have not lessened and the present trends are no less worrisome. I hope that three years from now I won't find use for these comments.

I applaud this committee's work in addressing these important issues and I applaud the legislature's good work on accountability that has thus far not made it to its final goal. It is going to take more hard work to educate people about the importance of thoughtful state-level accountability and of an overall improved state-level capacity for higher education planning and coordination.

ATTACHMENT

Reporting System Metrics

The following are examples of metrics that *are* appropriate for a state-level accountability system:

Appropriate for statewide accountability system:

- Percentage of high school graduates, by race/ethnicity, going directly to college
- Percent of adults with a college degree
- Percent of students eligible for federal Pell grants that are receiving the grants
- Percent of median family income needed to pay the net cost of college, by segment
- Percent of students who enter college needing remediation and the portion of those that complete remediation and transition to college-level work
- Percent of degree-seeking students who complete a degree
- Number of transfer students admitted compared to number of students seeking transfer to UC/CSU
- Average number of units completed by students who complete a bachelors' degree – for transfer and "native" students
- Average time-to-degree for full-time students
- Degrees awarded in STEM fields and other high-need areas in comparison with projected workforce needs

Examples of metrics that *are not* good choices for a short list of useful state-level indicators include those that report institution-specific data, data aimed at consumers, and any measure that does not help answer important state policy or budget questions:

Not appropriate for statewide accountability system:

- SAT scores of entering students
- Persistence and graduation rates by campus
- Distribution of enrollment, by race/ethnicity, by campus
- Number of degrees and certificates awarded – without reference to rates and to workforce needs
- Number of annual transfers
- Percent of courses taught by full-time faculty
- Full-time and part-time enrollment numbers
- Faculty salary distribution