

# Measuring Higher Education Performance In California

---

LEGISLATIVE ANALYST'S OFFICE

Presented to:  
Senate Education Committee  
Senate Budget and Fiscal Review Subcommittee No. 1  
On Education  
Hon. Carol Liu and Hon. Marty Block, Chairs





## State Goals for Higher Education

---



### Background

- Added by Chapter 367, Statutes of 2013 (SB 195, Liu).
- Pertains to the University of California (UC), the California State University (CSU), community colleges, and private nonprofit and for-profit institutions.



### Goals

- Improve student success and access.
- Better align degrees and credentials with state's economic, workforce, and civic needs.
- Ensure effective and efficient use of resources to improve outcomes and maintain affordability.



### Metrics

- Intended to be used to guide budget and policy decisions.
- Between 6 and 12 metrics to be developed to monitor progress toward goals, using publicly available data.
- Differentiation by mission of each educational institution.
- Disaggregation by demographic categories, as applicable.
- Expected to take into account recently enacted state performance measures for UC and CSU and measures reported by institutions receiving Cal Grants.



## Performance Measures for UC and CSU



### Background

- Added as part of 2013-14 budget package.
- Universities to start reporting March 1, 2014 and annually thereafter.
- Measures intended to guide budget decisions.



### Performance Measures

Metric	Definition
CCC transfers	(1) Number of CCC transfers enrolled. (2) CCC transfers as a percent of undergraduate population.
Low-income students	(1) Number of Pell Grant recipients enrolled. (2) Pell Grant recipients as a percent of total student population.
Graduation rates <sup>a</sup>	(1) Four- and six-year graduation rates for freshmen entrants. (2) Two- and three-year graduation rates for CCC transfers. Both of these measures also calculated separately for low-income students.
Degree completions	Number of degrees awarded annually in total and for: (1) Freshman entrants. (2) Transfers. (3) Graduate students. (4) Low-income students.
First-year students on track to degree	Percentage of first-year undergraduates earning enough credits to graduate within four years.
Funding per degree	(1) Total core funding divided by total degrees. (2) Core funding for undergraduate education divided by total undergraduate degrees.
Units per degree	Average course units earned at graduation for: (1) Freshman entrants. (2) Transfers.
Degree completions in STEM fields	Number of STEM degrees awarded annually to: (1) Undergraduate students. (2) Graduate students. (3) Low-income students.

<sup>a</sup> Six- and three-year graduation rates apply only for CSU.  
STEM = science, technology, engineering, and mathematics.



## Student Success Scorecard for Community Colleges

---



### Background

- Resulted from legislatively created Student Success Task Force.
- Colleges required by state law to present Scorecard results to their local governing boards for review.
- Measures and data also published on Chancellor's Office website.



### Scorecard Measures

- Focus is on six measures. Percent of students:
  - Persisting through the first year of college.
  - Earning 30 units.
  - Completing remediation and initial college-level coursework in math and English.
  - Obtaining a degree/certificate or transferring.
  - Completing a noncredit (such as high school diploma) or other program.
  - Taking career technical education coursework and completing a program.
- Measures disaggregated by age, race/ethnicity, and gender.
- Data available on a systemwide basis and by college.



## Institutional Eligibility and Reporting For Cal Grants

---



### Eligibility

- Added as part of 2011-12 budget package.
- Institutions with default rates on student loans greater than 15.5 percent and graduation rates below 30 percent are ineligible to participate in Cal Grants.
- The California Student Aid Commission (CSAC) uses federal data to determine eligibility.
- Institutions with less than 40 percent of students borrowing are exempt from these rules.



### Reporting Requirements

- Added as part of 2011-12 budget package.
- Institutions receiving Cal Grants required to annually report certain metrics to CSAC, which then publishes this information on its website (starting later this year).
- Information reported for all students and for Cal Grant recipients separately.
- Schools must report annually on enrollment, persistence, and completion. For vocational programs, required data include job placement and earnings.



## Issues for Legislative Consideration

---



### **Developing Metrics**

- How will the metrics called for by Chapter 367 be developed?
- How will these metrics relate to performance measures already in place? Will they be the same or different?
- Who will track statewide metrics?
- How much specificity will be identified in statute regarding how each metric is to be calculated? How will the state ensure consistency in reporting across segments?



### **Setting Performance Targets**

- What role does the Legislature, Governor, institutions, and other stakeholders have in setting targets?
- How will targets for each of the performance measures be set? For example, will targets be based on past performance, the performance of peer institutions, or desired results?



### **Using Performance Information for Decision Making**

- Are all measures equally important for decision making? Or are some measures more important than other measures?
- Are all performance areas equally under the control of the institutions? Or do the institutions have more or less influence in certain performance areas?
- How will performance data be used to inform budget decisions? Will performance data be used generally to guide budget decisions? Or will performance data be built into a funding formula? Will the decisions/formula be focused on the segments or individual campuses?



## Issues for Legislative Consideration

*(Continued)*

---



### **Accountability**

- What happens if institutions are not performing according to expectations? Does the state reduce or add funding to address performance problems? Does the state become more prescriptive in how institutions spend state money? Does the state intervene in institutional operations?



## Governor's Proposals

---



### **Multiyear Funding Plan for UC and CSU**

- Each university to receive \$142 million base increase in 2014-15, with additional base increases through 2016-17.
- Base increases contingent on universities not increasing tuition.
- Funding not linked with enrollment, cost increases, or performance.



### **UC and CSU Sustainability Plans**

- Universities required to submit three-year budget plans each November using General Fund and tuition assumptions provided by Department of Finance.
- Plans to include enrollment projections and targets for performance.



### **Community College Technical Assistance and Student Success Proposals**

- Adds nine positions to Chancellor's Office (\$1.1 million) to develop additional performance measures, assist districts and colleges in improving performance, and help develop targets for each of the measures in the Scorecard. Provides \$2.5 million in associated local assistance funding.
- Augments Student Success and Support Program from \$100 million to \$300 million to provide additional support services (such as counseling) to students. Provides partial flexibility to three other community college student support programs.





## Assessment of Governor's Proposals

---



### **Serious Concerns With Proposals for UC and CSU**

- Multiyear funding plan does not link state funding with specific purposes or goals, except for not increasing tuition. For example, the plan provides significant budget increases without setting expectations for enrollment.
- Sustainability plans based on Governor's priorities for state spending. Also, these plans allow the universities to set performance targets without state involvement.



### **Community College Proposals Could Be Improved**

- Proposal to set performance expectations and provide assistance are commendable goals but additional funding may not be necessary.
- Proposal to increase funding for student support services has merit but may not provide enough flexibility for community colleges to increase student success.