

*A Summary of the  
Kentucky Chamber of Commerce Report  
on Postsecondary Education Reform*

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*Presented to the*  
Council on Postsecondary Education

Frankfort, Kentucky – December 14, 2007



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# *Task Force Scope*

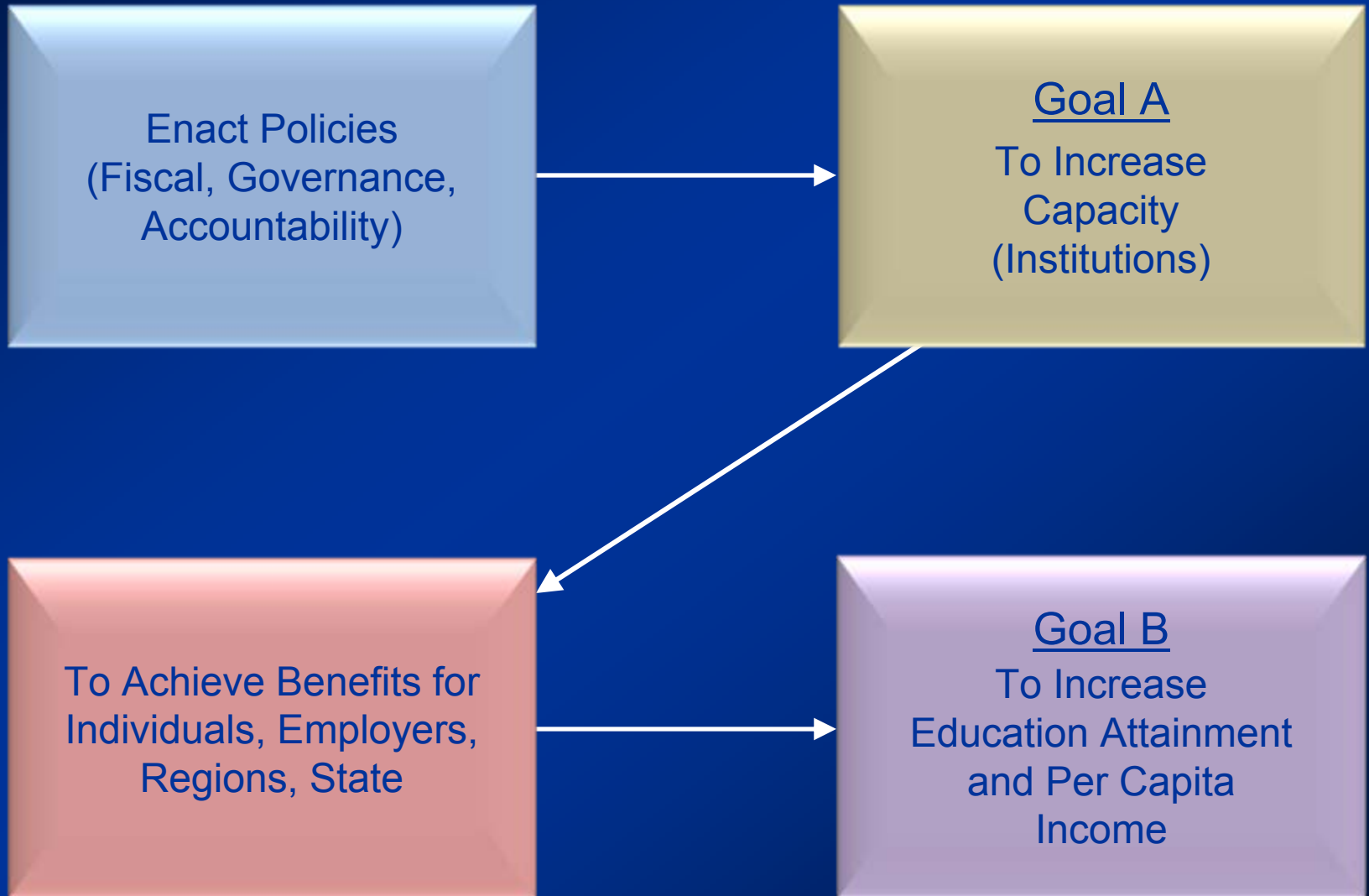
- ▶ Conduct Independent Assessment of Postsecondary Education in Kentucky to Determine:
  - What Has Been Accomplished Since 1997 Reforms
  - What Must Be Done if State Is to Meet Its Education Attainment Goals by 2020

(continued)

## *Task Force Scope (continued)*

- ▶ Assess Effectiveness of Accountability Measures in Informing Kentuckians About Quality of Postsecondary Education in Kentucky
- ▶ Use Review to Reengage Business Community
- ▶ Raise Public Awareness of Personal and Economic Importance of High-Quality Postsecondary Education

# *Elements of Reform*



# *Goals of Postsecondary Education Reform*

- ▶ Goal A: Develop Institutional Capacity
- ▶ Goal B: Develop “...a society with a standard of living and quality of life that meets or exceeds the national average.”
  - Education Attainment
  - Per Capita Income

## *Goal A: Institutional Capacity*

- ▶ University of Kentucky—Top 20 Public Research University
- ▶ University of Louisville—Premier Nationally Recognized Metropolitan Research University
- ▶ Regional Universities with Nationally Recognized Programs of Excellence and Nationally Recognized Applied Research Programs

## *Institutional Capacity Goals*

- ▶ A Comprehensive Community and Technical College System—KCTCS
- ▶ A Coordinated System to Deliver Educational Services, Comparable to or Exceeding the National Average, to Adult Kentuckians

# *Observations and Findings*

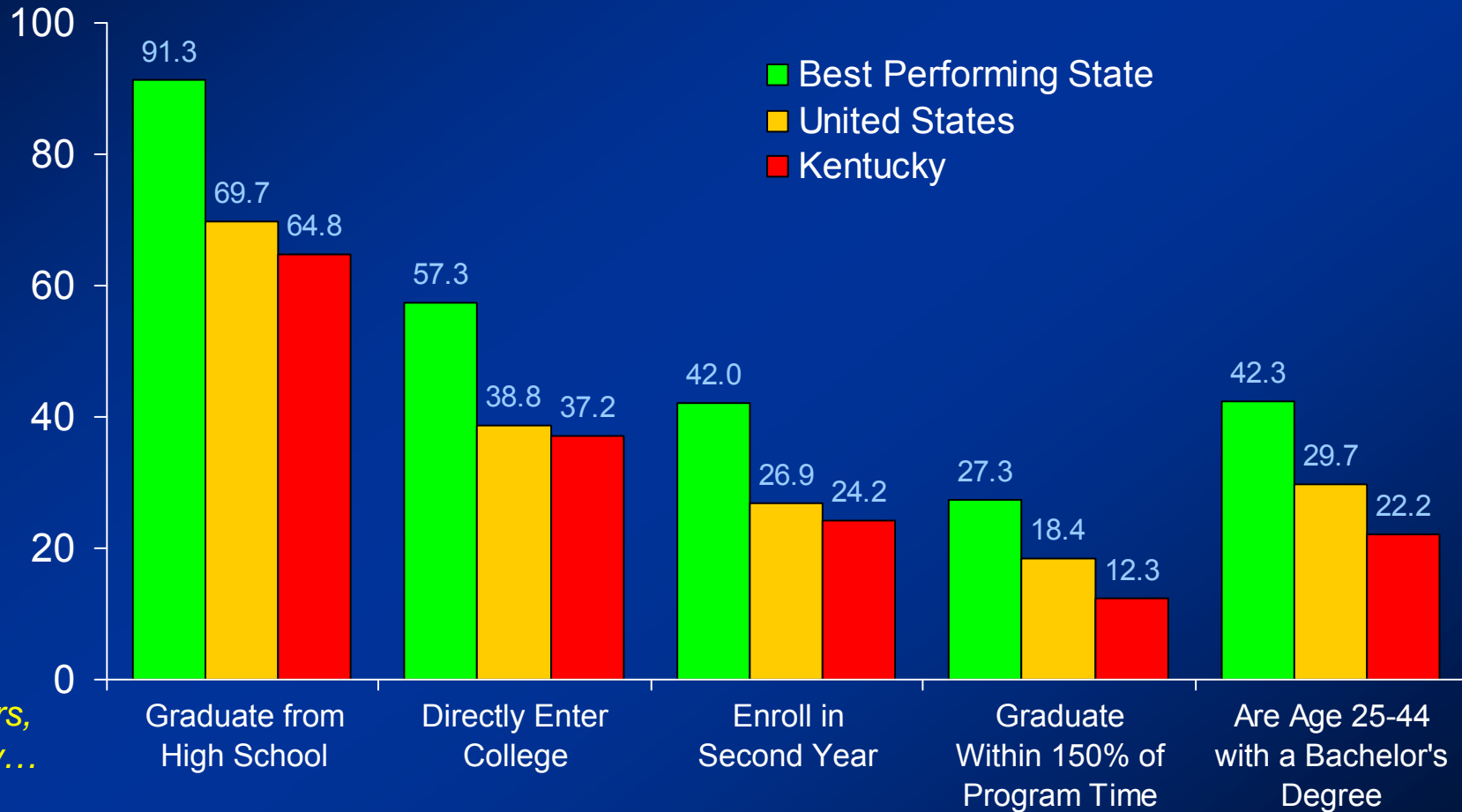
# *1. Has Kentucky Made Progress in Building Capacity?*

- ▶ Enrollment Has Increased at All Institutions
- ▶ Degree Production Has Accelerated
- ▶ All Institutions Have Made Significant Progress Toward Individual Goals

## 2. *Has Performance Improved in Preparation and Completion?*

- ▶ Education Pipeline Leaks at Every Seam
- ▶ Gap Between High School Graduation Requirements and Postsecondary Preparation
- ▶ Low Rates of Degree Completion
- ▶ Low Rates of Transfer

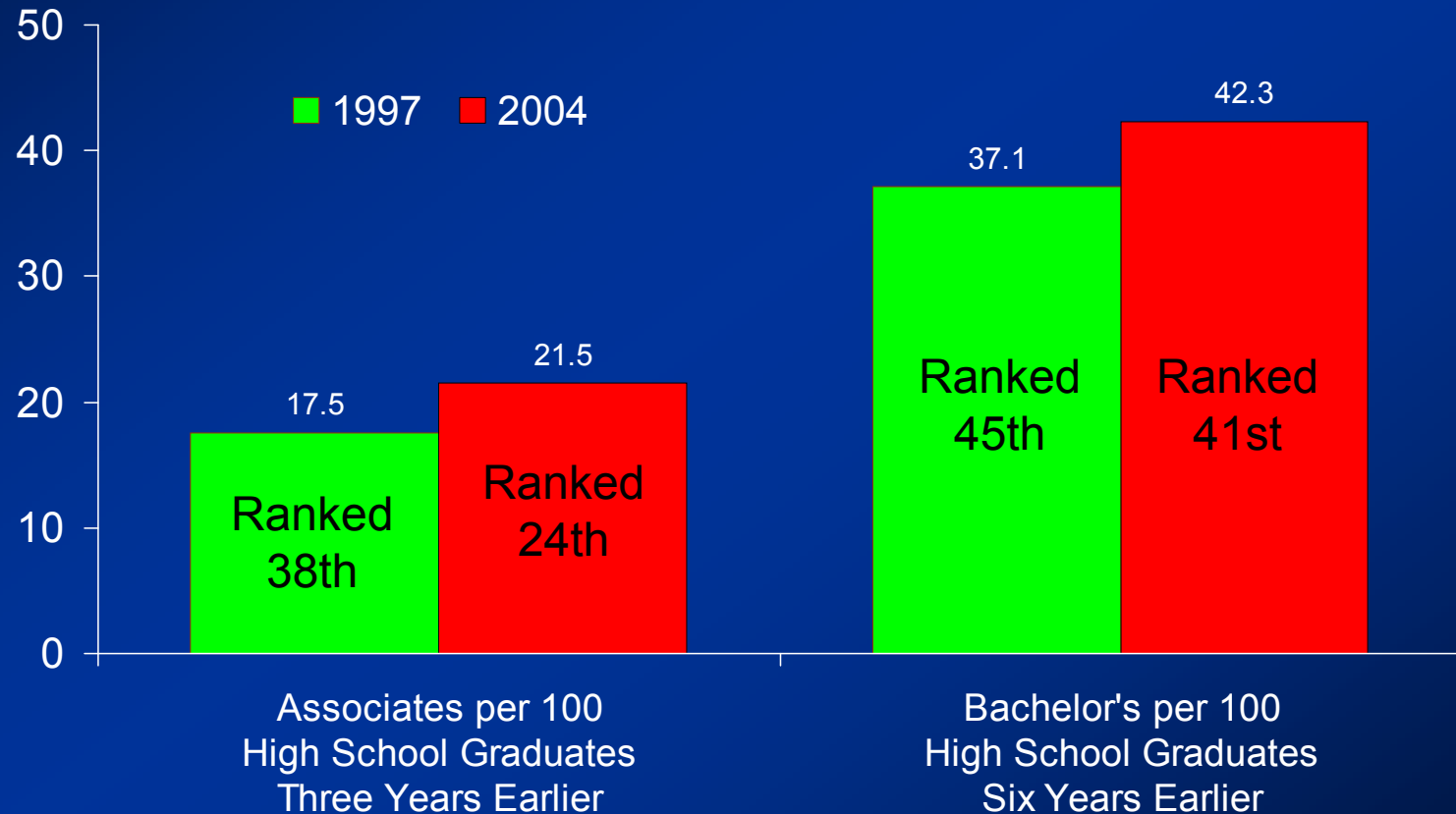
# Student Pipeline, 2004



*Of 100  
9th Graders,  
How Many...*

Source: Tom Mortenson, Public School Graduation Rates and College-Going Rates of Students Directly from High School, 2004; NCES, IPEDS Fall 2004 Retention Rates and 2004 Graduation Rate Survey; U.S. Census Bureau, 2005 American Community Survey (ACS)

# *Associate and Bachelor's Degrees Awarded Per 100 High School Graduates Three and Six Years Earlier, 1997 and 2004*



Source: NCES, IPEDS Completions Survey and Common Core Data

### 3. *Has Reform Contributed to Higher Educational Attainment and Income?*

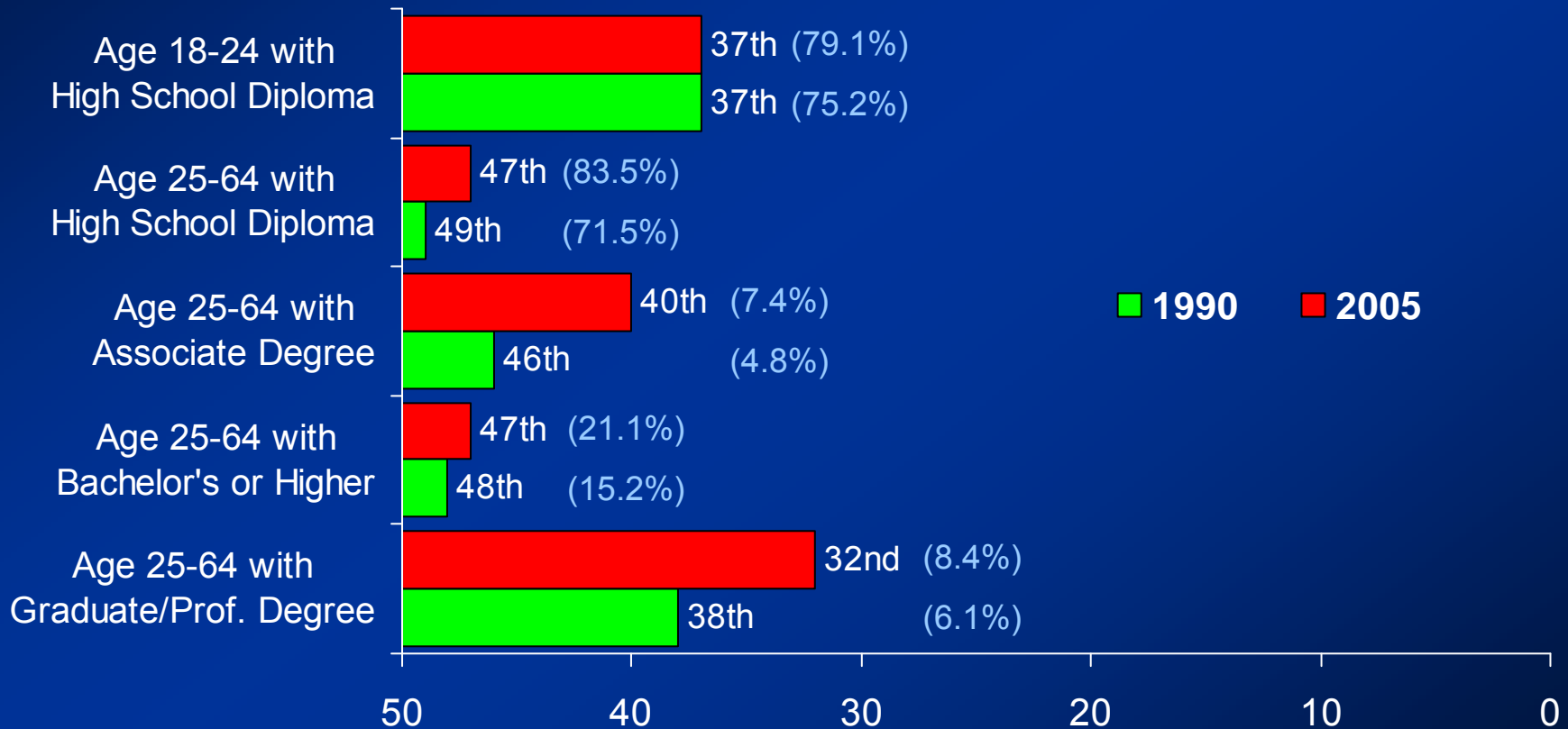
- ▶ Kentucky's National Position Has Changed Little, but Neighbor States' Position Declined
- ▶ Attainment in Most Counties Mirror that of Least-Educated OECD Countries

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3. *Has Reform Contributed to Higher Educational Attainment and Income?*  
*(continued)*

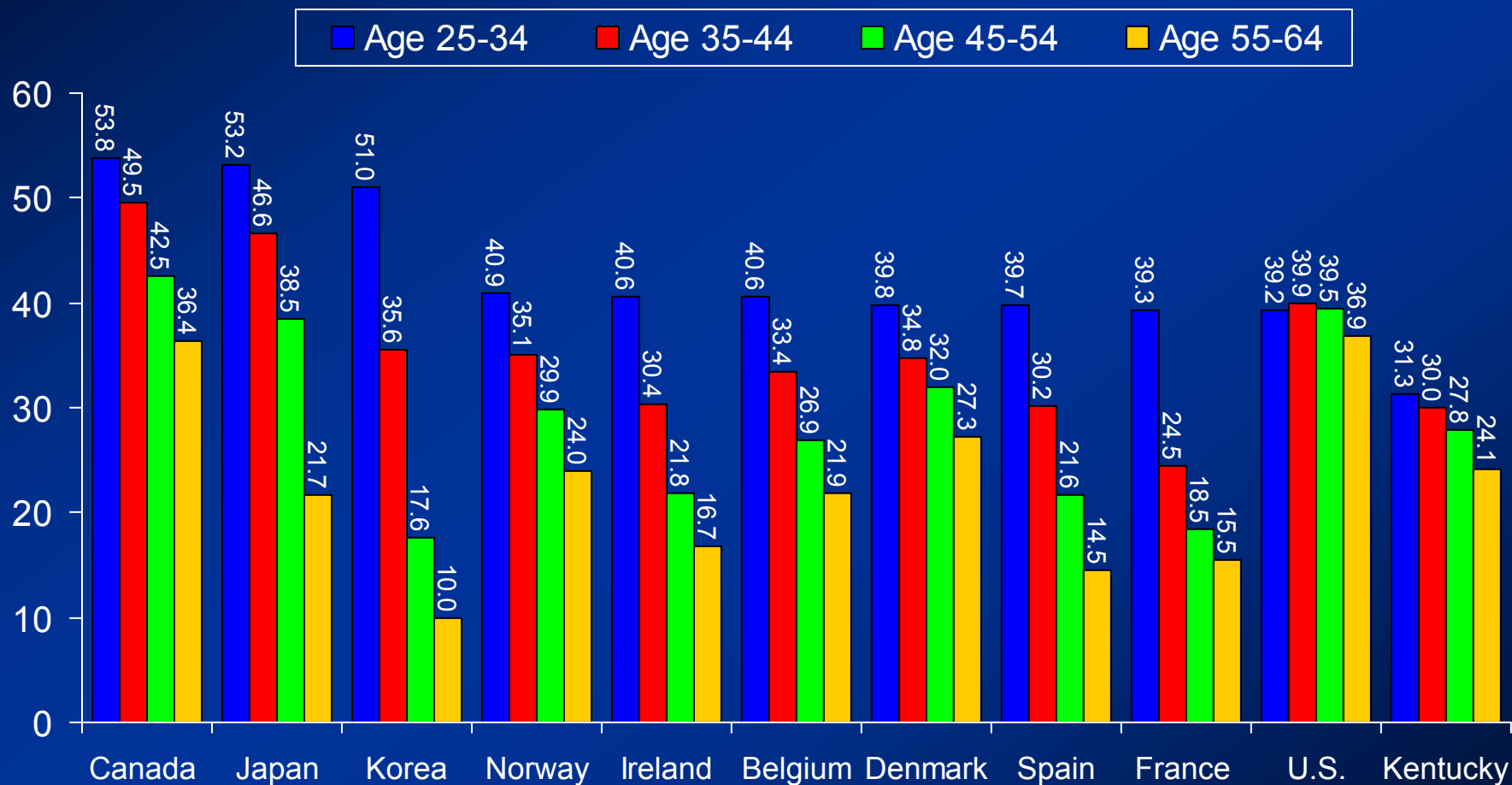
- ▶ Lack of Strong Demand from Economy for Better-Educated Workforce
- ▶ Emphasis Needed on Workplace Development as Well as Workforce Development

# *Educational Attainment and Rank Among States— Kentucky, 1990 and 2005*



Source: U.S. Census Bureau, 2005 ACS

# Percent of Adults with an Associate Degree or Higher by Age Group—Kentucky, U.S. and Leading OECD Countries, 2005

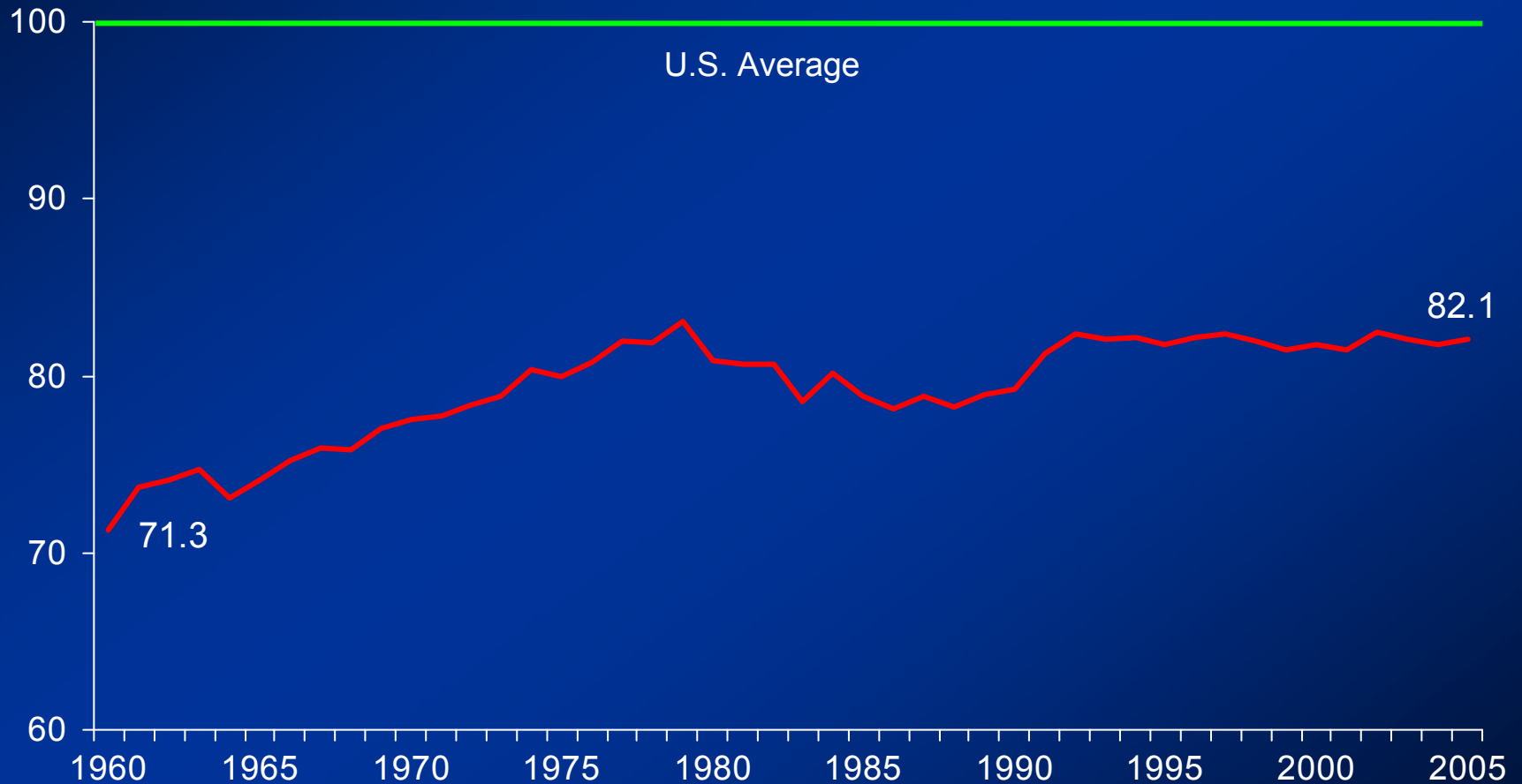


Source: *Education at a Glance 2007*, Organisation of Economic Co-operation and Development (OECD), 2005 ACS

*Percent of Adults Age 25-34  
with College Degrees  
(Associate and Higher), 2005*

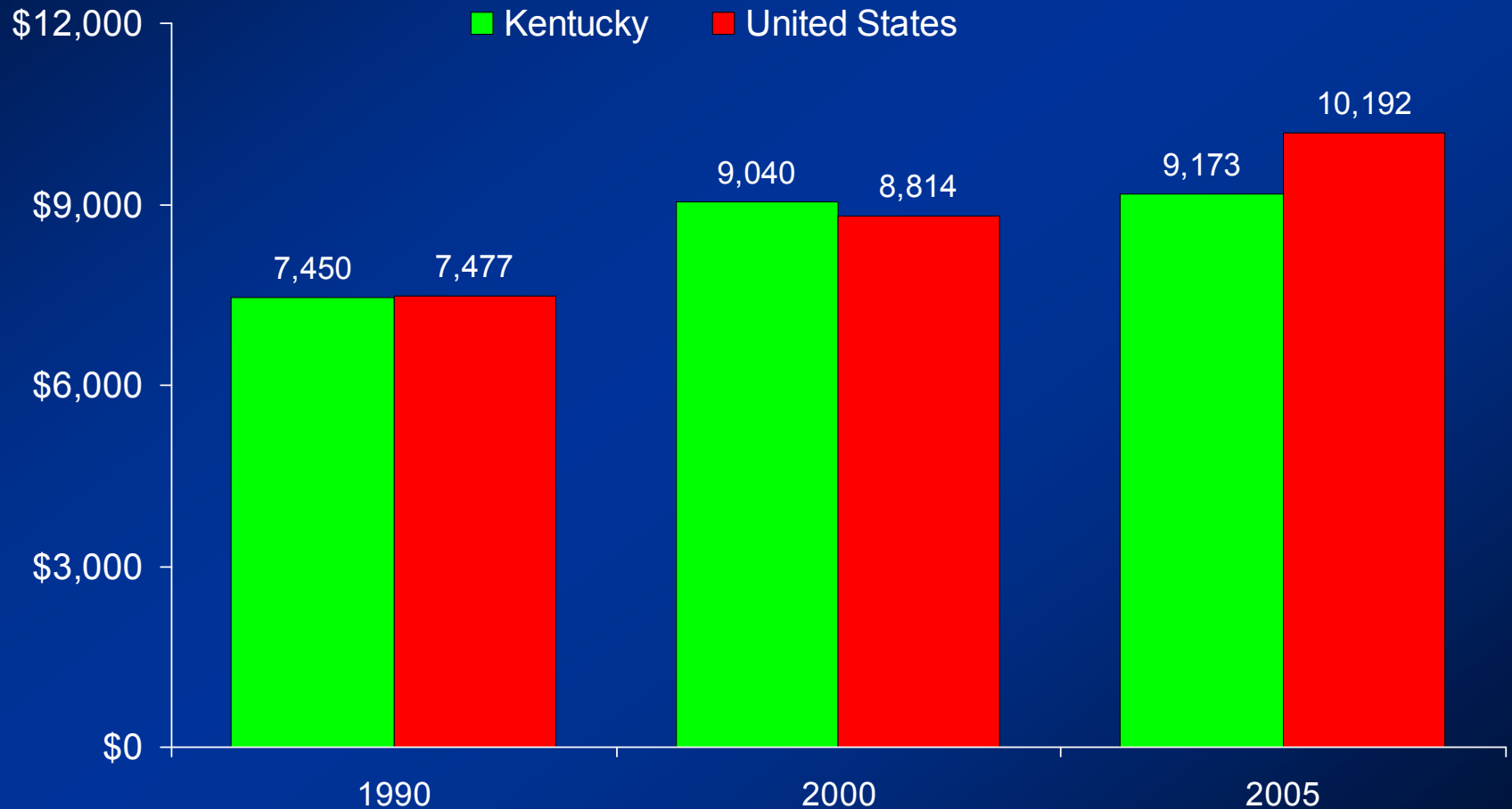
Kentucky Counties	%	OECD Countries
	54	Canada
	53	Japan
	51	Korea
Fayette	50	
	41	Norway • Ireland • Belgium
	40	Denmark • Spain
Oldham	39	UNITED STATES • France
	38	Australia • Finland
Jefferson	37	Sweden • Luxembourg
Campbell – Calloway	36	Iceland
Boone	35	Netherlands • United Kingdom
Warren – Kenton – Woodford	34	
Madison – Jessamine – Rowan	32	
KENTUCKY – Scott – McCracken	31	Switzerland • New Zealand
Shelby	30	
Larue – Daviess – Franklin	28	
	26	Poland
Boyle – Taylor – Simpson – Hardin – Boyd – Henderson	25	Greece
Marshall – Washington – Bracken – Anderson – Spencer	24	
Carlisle – Mason – Union – Mercer – Greenup – Trigg	23	Germany
Russell – Clark – Meade		
Graves – Ballard – Montgomery – Adair	22	
Robertson – Bourbon – Bullitt – Hancock – Nelson Crittenden	21	
Garrard – Johnson – Bath – Fleming	20	Austria • Hungary
Marion – McLean – Knott – Ohio	19	Portugal
Pulaski – Barren – Henry – Owsley – Cumberland	18	Mexico
Christian – Whitley		
Muhlenberg – Lyon – Hickman – Pike – Livingston – Carter	17	
Lincoln – Harlan		
Green – Estill – Todd – Trimble – Breathitt – Monroe – Perry	16	Slovak Republic • Italy
Elliott – Hopkins – Floyd – Carroll – Letcher – Grant		
Hart – Webster – Logan – Nicholas – Laurel – Clinton	15	
Harrison – Allen		
Breckinridge – Martin – Wolfe – Caldwell – Meniffee	14	Czech Republic
Casey – Rockcastle – Butler – Bell – Leslie	13	
Pendleton	12	Turkey
Lewis – Wayne – Magoffin – Morgan – Grayson – McCreary	11	
Lawrence – Powell – Knox		
Owen – Jackson – Metcalfe – Fulton	10	
Edmonson – Gallatin	9	
Clay – Lee	7	

# *Per Capita Personal Income as a Percent of U.S. Average—Kentucky, 1960-2005*



Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

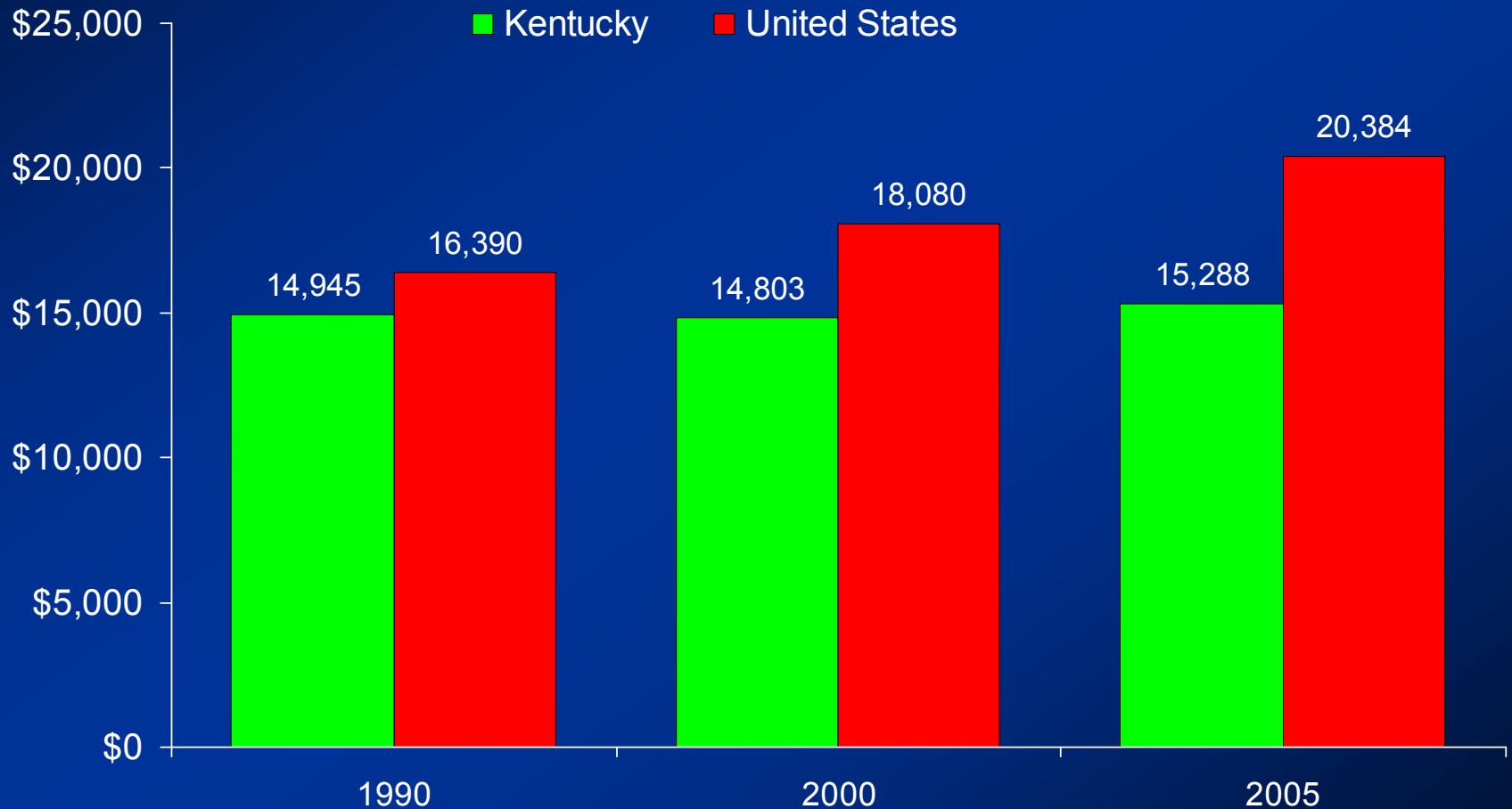
# *Difference in Earnings Between a High School Diploma and an Associate Degree\*—Kentucky Compared to U.S. Average*



\* 1990 and 2000 CPI Adjusted

Source: U.S. Census Bureau, Decennial Census and 2005 American Community Survey

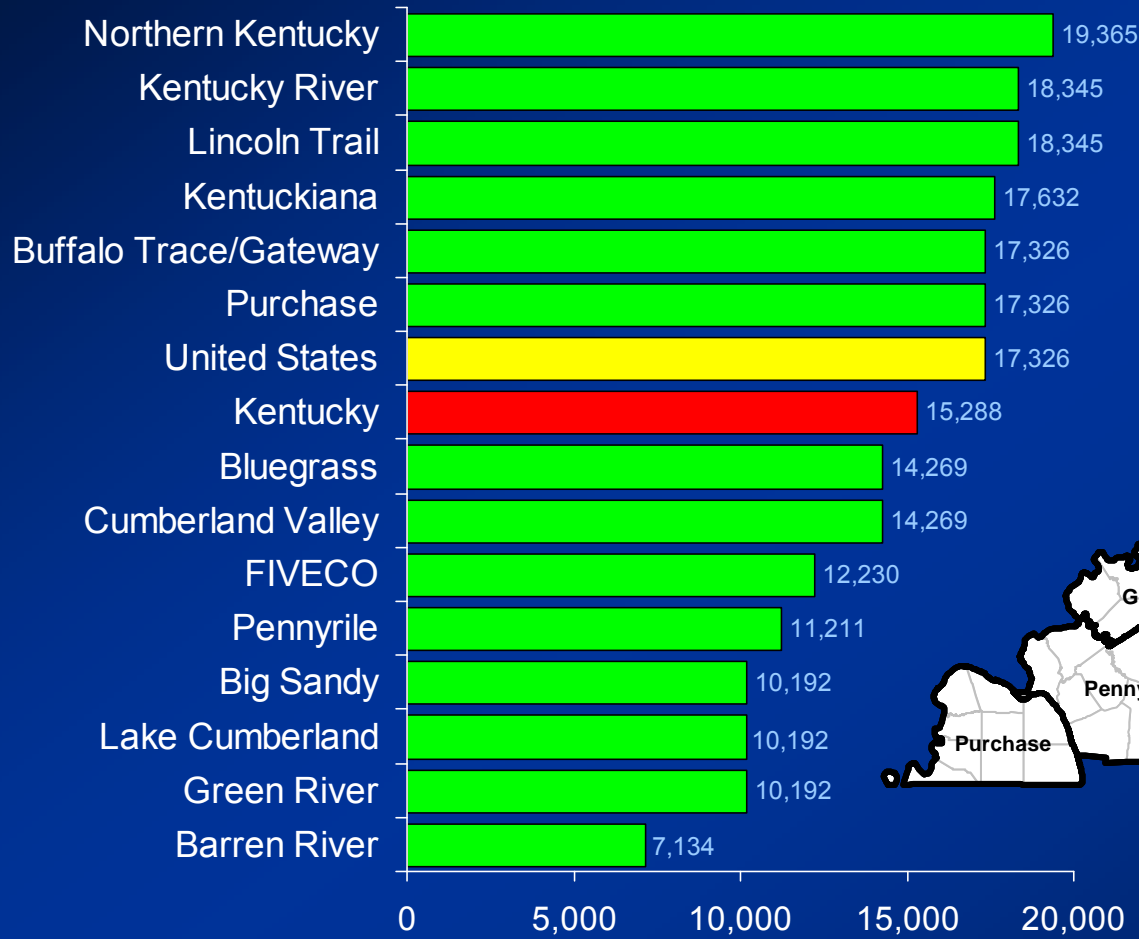
# *Difference in Earnings Between a High School Diploma and a Bachelor's Degree\*—Kentucky Compared to U.S. Average*



\* 1990 and 2000 CPI Adjusted

Source: U.S. Census Bureau, Decennial Census and 2005 American Community Survey

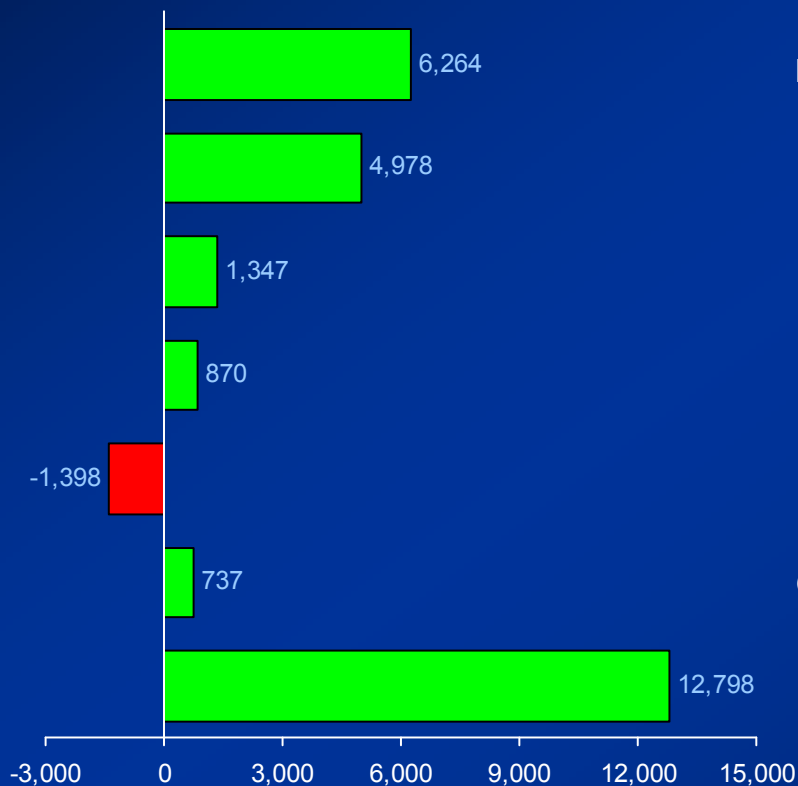
# Difference in Median Earnings Between a Bachelor's Degree and a High School Diploma (2005)



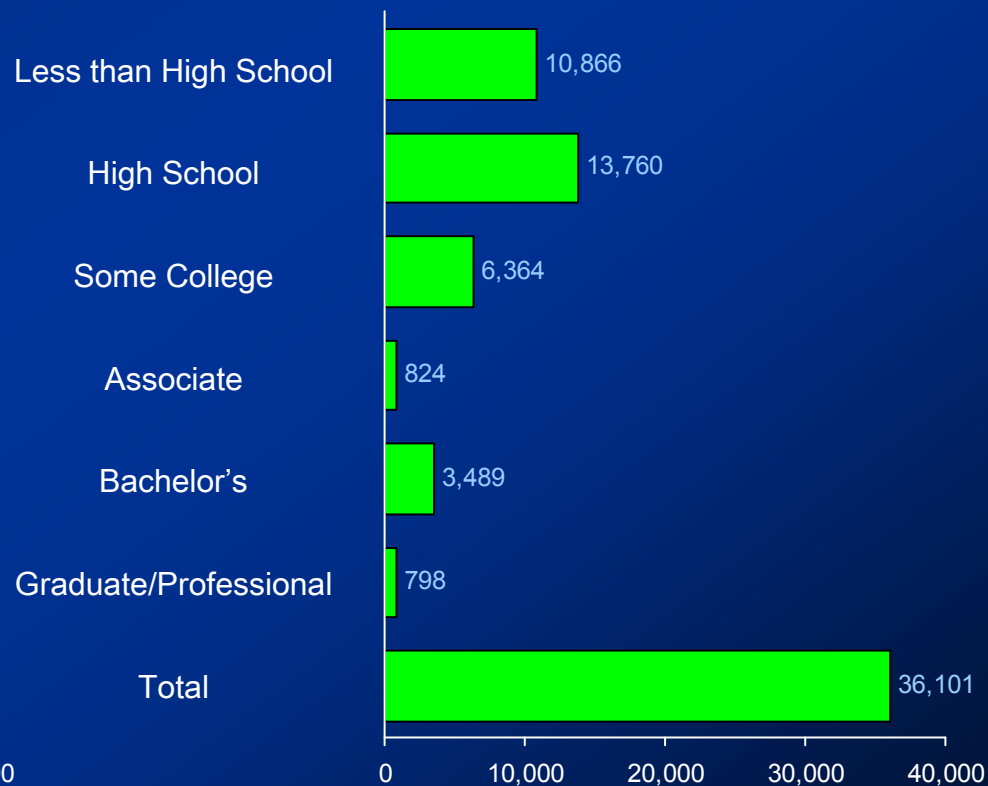
Source: U.S. Census Bureau, 2005 ACS

# Net Migration by Degree Level and Age Group— Kentucky

**22- to 29-Year-Olds**



**30- to 64-Year-Olds**



Source: U.S. Census Bureau, 2000 Census; 5% PUMS Files

## 4. *Are the Reform Goals Still Valid?*

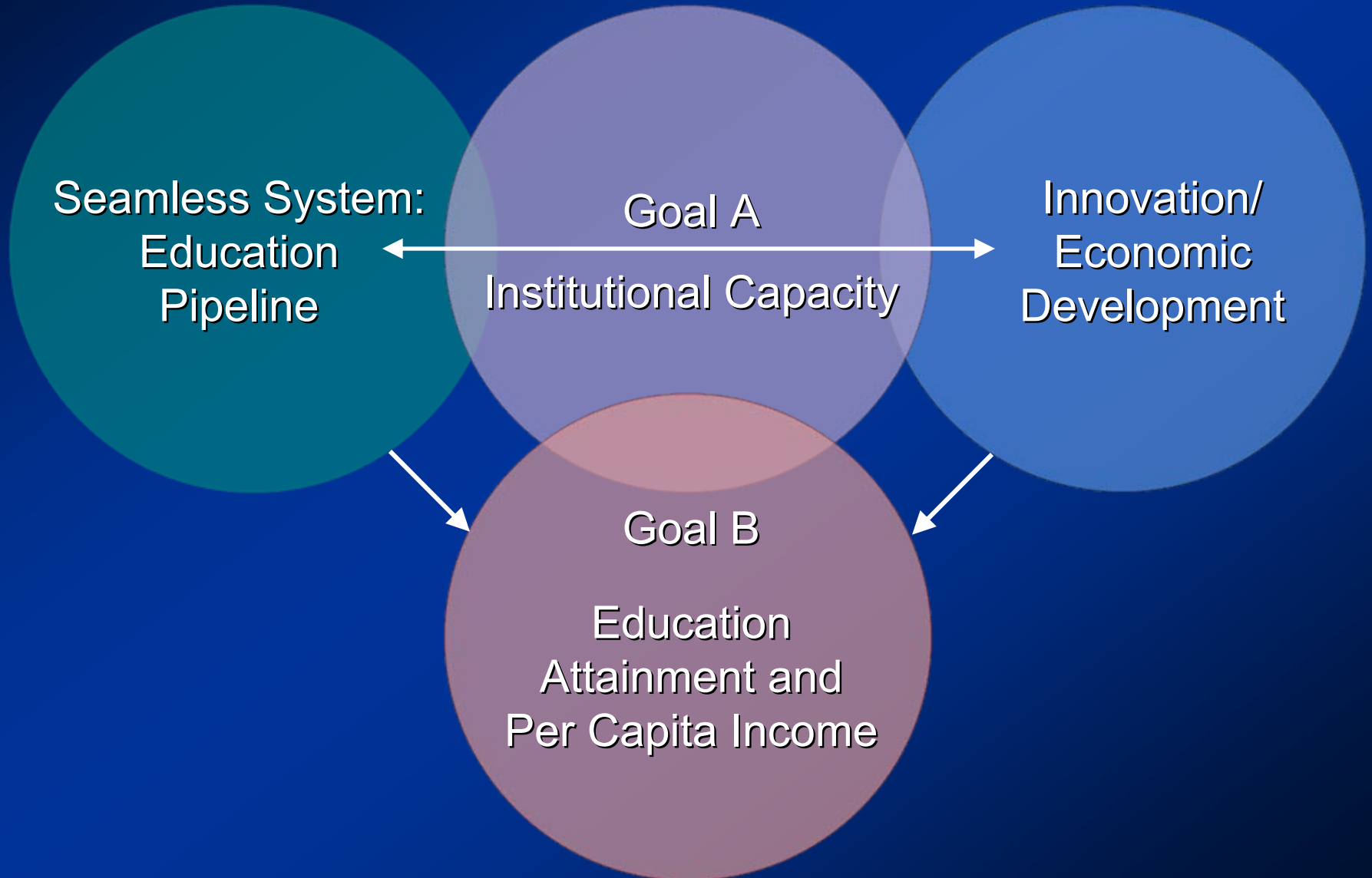
- ▶ As Important to Kentucky's Future as When They Were Adopted
- ▶ Must Focus on Both Goals A and B
  - Institutional Capacity
  - Ultimate Goal: Education Attainment  
Per Capita Income

(continued)

## 4. *Are the Reform Goals Still Valid?* *(continued)*

- ▶ “Double the Numbers” Goal for 2020 Is Valid but not Sufficient to Meet Level of Best-Performing OECD Countries
- ▶ Goal for Regional Universities Does not Reflect “Comprehensive” Mission and Link to Regional Stewardship
- ▶ Linkages Between Education and Innovation/ Economic Growth Must Be Clearly Defined and Supported

# *Relationship Among Goals*



# *“Double the Numbers in Global Context*

Number of Individuals to Match U.S. Average in % with Bachelor’s Degrees in 2020 (32.1%)	791,000
Number of Individuals (Age 25-44) Who Already Have Bachelor’s Degrees	(234,921)
Additional Residents with Bachelor’s Degrees from Net Migration	(14,504)
Bachelor’s Degrees Produced from 2000 to 2004	(64,770)
Bachelor’s Degrees Produced at Current Annual Rate of Production from 2005 to 2020	(266,069)
Additional Bachelor’s Degrees Needed by 2020 (Rounded)	<b>211,000</b>

## **NCHEMS/Lumina Analysis for Kentucky to Reach Best-Performing Countries by 2025**

Number of Individuals to Match Best-Performing Countries in 2025 (55%)	1,235,942
Number of Individuals (Age 25-44) Who Already Have Degrees	(353,170)
Additional Residents with College Degrees from Net Migration	(21,064)
Degrees Produced at Current Annual Rate of Production	(537,420)
Additional Degrees Needed by 2025	<b>324,288</b>

## 5. *What Are the Barriers to Progress?*

- ▶ Lack of Alignment among Levels of Education
- ▶ Weak Links Between Postsecondary and State and Regional Innovation/Economic Development

(continued)

## 5. *What Are the Barriers to Progress?* *(continued)*

- ▶ Inadequate Policy Leadership and Coordination
- ▶ Inadequate Budget Discipline and Accountability

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## 5. *What Are the Barriers to Progress?* *(continued)*

- ▶ Threats to Affordability
- ▶ Comparatively Low Productivity

## *Criteria for Policy Alternatives*

- ▶ Engage the General Assembly in Effort to Achieve HB 1 Goals
- ▶ Develop Regional Strategies
- ▶ Balance Regional Strategies with Statewide Policy Frameworks and Strategic Alliances
- ▶ Take Full Advantage of Resources of the Independent Sector
- ▶ Reengage the Business Community

# *Recommendations*

# *To the Governor and General Assembly*

- ▶ Reaffirm Commitment to Achieve HB 1 Goals by 2020
  - Institutional Capacity Goals
    - UK
    - U of L

(continued)

*To the Governor and General Assembly*  
*(continued)*

- Institutional Capacity Goals (continued)
  - Comprehensive Universities
  - KCTCS
  - Adult Education
- Ultimate Goal: Education Attainment and Per Capita Income

*To the Governor and General Assembly*  
*(continued)*

- ▶ Support the “Double the Numbers” campaign but:
  - Emphasize Degree Attainment at Both Associate and Bachelor’s Degree Levels
  - Adopt Broader Goals to Achieve Level of Most Competitive Nations by 2025
  - Recognize Independent Sector As Important Contributor

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*To the Governor and General Assembly*  
*(continued)*

- ▶ Clarify Capacity Goals for Comprehensive Universities to Emphasize Regional Stewardship
- ▶ Redefine Overall Goal For Kentucky to Develop a Seamless Education System (Pre-School through 20)

(continued)

*To the Governor and General Assembly*  
*(continued)*

- ▶ Make Partnership Between Postsecondary Education and Economic Development a Central Priority
- ▶ Recommit to Complying with Budgetary Framework Established in 1997 Reform

(continued)

*To the Governor and General Assembly*  
*(continued)*

- ▶ **Guarantee Affordable Access to Postsecondary Education for All Qualified Kentuckians**
  - Adopt Simplified, Integrated Need-Based Student Aid Program Based on “Shared Responsibility” of Students, Families and Taxpayers
  - Establish Commonwealth 21<sup>st</sup> Century Scholarship Program

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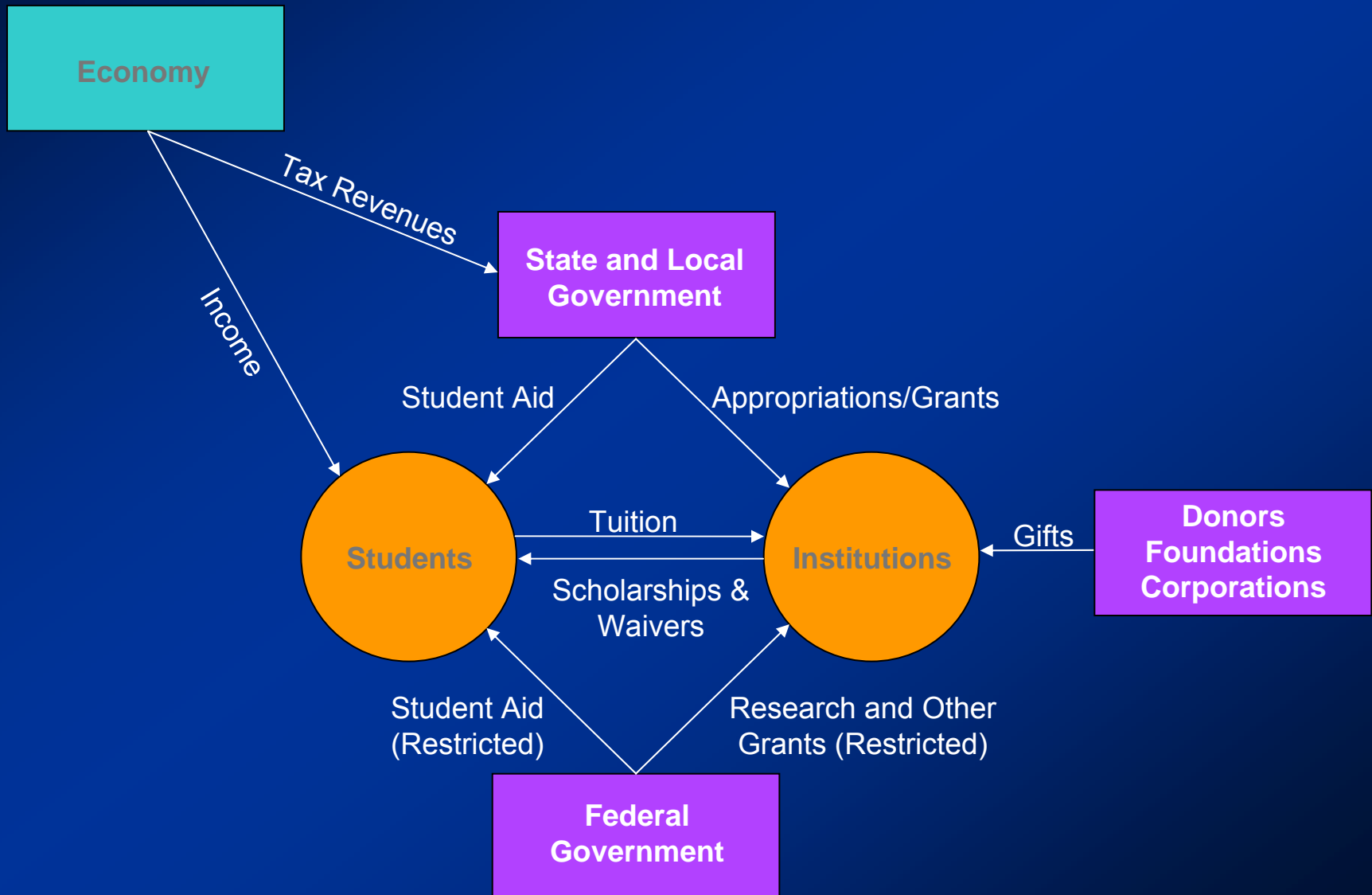
*To the Governor and General Assembly*  
*(continued)*

- ▶ Reestablish Mechanism to Ensure Full Participation of Governor and General Assembly in Shaping Strategic Agenda
- ▶ Reestablish CPE as Independent Policy Leadership Entity

## *To the Kentucky Chamber of Commerce*

- ▶ Establish Entity to Monitor Progress of Reform and Gain Governor and General Assembly Support
- ▶ Support Renewed Public Campaign Focusing on Value of Education
- ▶ Encourage Local Groups to Create Strategic Plans on Economic and Workforce Development
- ▶ Communicate Need for Stronger Employer Signals on Education
- ▶ Sponsor Annual Summit on Progress in Postsecondary Education

# The Flow of Funds - US



# State and Local Fiscal Surplus (Gap) in 2013 as a Percent of Revenue

