

Draft Final Strategic Master Plan

Introduction

The contract between the Connecticut General Assembly (CGA) and The National Center for Higher Education Management Systems (NCHEMS) calls for NCHEMS to: (from p. 2, #7 of the contract)

- Develop a Strategic Master Plan for public and private higher education in the State of Connecticut.
- Consult and interact with the Planning Commission for Higher Education to conduct research, gather and synthesize input from stakeholders, recommend numerical goals, and prepare final documentation
- Meet with the Planning Commission for Higher Education as requested by the Commission

The contract requires that the Strategic Master Plan include:

- An analysis of demographic, workforce and education trends
- Numeric goals for postsecondary completions and workforce entry for 2020 and 2025
- Recommendations for alternative strategies for funding policies, practices and accountability, and recommend specific strategies
- Recommendations for how each public constitution unit and private institution can contribute to goals set forth in the plan and expand their role in advancing the state's economic growth in a manner consistent with such unit's and institution's mission.

The Strategic Master Plan is to include a branding approach to effectively communicate plan objectives and recommendations.

The contract further required that NCHEMS place a special emphasis on working with the Commission and higher education stakeholders to reach appropriate recommendations to enable higher education to meet projected workforce needs, in part by eliminating the postsecondary achievement gap between minority students and the general student population. Higher education stakeholder's shall include but not be limited to, campus presidents, faculty leaders, student leaders, the entire higher education community and any other parties which benefit from higher education including businesses, government and residents.

Process

As a foundation for the work of the Planning Commission, NCHEMS conducted extensive analyses about the population, demographics, economy, and workforce Connecticut and of different regions within the state. The complete record of these analyses is available at <http://www.cga.ct.gov/hed/pched/pched.asp>. Among the notable results were those that revealed:

- The population of Connecticut is not educated to high enough levels to meet the skilled workforce needs in the foreseeable future.
- The education attainment gaps between whites and minorities are greater in Connecticut than in almost all other states in the country.
- Levels of education attainment and per capita income vary enormously from one part of the state to another. The populations of the core cities in the state are particularly disadvantaged.
- There are significant mismatches between workforce needs and degree production by the educational institutions in the state. The imbalances are particularly noteworthy in fields at the sub-baccalaureate level.
- Private institutions, both not-for-profit and for-profit, are major contributors to the education of Connecticut citizens, the preparation of the state's workforce, and the fabric of the communities in which they are located.
- Education is becoming very expensive in the state. Affordability of higher education is becoming an issue, especially for low-income students who must have access to postsecondary education if workforce needs are to be met.

Based on these analyses, NCHEMS staff prepared a draft set of postsecondary education goals for the state. These were reviewed by the Planning Commission and revised as a result of discussions with that group. Subsequently they were subjected to review by a wide variety of stakeholders from throughout the state. The goals and a synopsis of the analyses that led to their selection were the topics of open discussion with:

- Employers in a broad array of industries
- Economic and community development professionals
- Workforce development professionals
- Legislators

- Members of the executive branch of the state government – policy staff, leadership of the Office of Planning and Management, cabinet officers (Community and Economic Development, Labor)
- Education leaders – UConn, CSCU (including regional and on-campus meetings with institutional presidents and their staffs), CCIC staff and the presidents of independent institutions
- Leaders of the Connecticut Business and Industry association, Hartford Metro Alliance, and the Business Council of Fairfield County

As a result of these consultations and discussion, the Planning Commission affirmed the goals with only slight modifications in wording.

Concurrent with the data analysis and goal formulation and review activities, NCHEMS conducted a review of the state policies and procedures that could affect implementation of the goals, asking the questions:

- What new policies are needed to promote goal achievement?
- What existing policies are serving as barriers to achievement?

These questions were pursued in the meetings with the stakeholders listed above.

As a result of these activities a statement of goals has been developed and formally adopted by the Planning Commission. In addition a base set of metrics to be used in monitoring progress toward goal achievement has been developed and reviewed by the Commission. Finally, observations about the policy environment and barriers to successful goal implementation have been compiled, presented to the Commission, and discussed.

The balance of this report contains:

1. A statement of the goals with associated metrics
2. Results of the policy review
3. Recommendations for moving forward

Goals and Suggested Metrics

The Planning Commission's vision is of a globally competitive, regionally engaged Connecticut higher education system that is focused on achieving these goals:

1. Increase education levels of the adult population of the state to

- Ensure that the state will have a workforce with the skills needed by a competitive economy
- Provide citizens with the tools needed to participate in an increasingly complex society
- Over time, reduce socioeconomic disparities and, thereby, improve the quality of life in the state's cities and towns.

In order to achieve these purposes it is recommended that a target be set of at least 70% of the working age population having a postsecondary credential by 2025 and that, in pursuit of this objective, priority be given to

- Reducing attainment gaps between white and minorities.
- Improving attainment of residents of cities' urban cores, and
- Increasing the number of adults awarded postsecondary credentials.
- Ensuring that the quality of education is not only sustained but improved and that credentials awarded reflect the deeper learning required to meet the intent of the goals.

Targets

More concretely, it is recommended that the following targets for goal achievement be established.

- The 70% attainment goal be interpreted as consisting of
 - 40% with baccalaureate degrees
 - 30% with associate degrees and certificates (about 17% certificates and 13% associate degrees)
- Align standards and assessments for K-12 and adult education with clear statewide expectations for college and career readiness. Reduce by half the proportion of first-time community college students requiring remediation by 2025
- Reduce the education attainment gaps between whites and minorities by half – from 29% to 15% by 2025
- Increase the number of adults being awarded undergraduate degrees or certificates of value: double the number by 2025
- Improve the education attainment levels of residents of cities' urban cores: bring attainment to current statewide average by 2025

Commentary on achieving the 70% Goal

This goal translates into a need to produce about 3,300 more degrees and certificates per year than are currently being produced. Of these 55% will be at the baccalaureate level, 19% at the

associates, and 26% at the certificate level. Project requirements call for NCHEMS to establish targets, by sector, for the gaps to be closed.

At the baccalaureate level, the requirement to meet the goal is about 1,800 additional baccalaureate degrees per year. The plan put forth by UConn and accepted by the legislature as part of their ten-year funding plan (which may or may not be funded) would yield about 220 additional baccalaureates per year. Private not-for-profit institutions currently produce slightly more than half the baccalaureate degrees. It is highly unlikely that this sector could (or would want to) expand sufficiently to produce half of the additional degrees the goal envisions. If they were to produce 25% of the necessary increase, they would have to increase production by 450 baccalaureate degrees per year. This means that the for-profit institutions and CSCU would have to graduate an additional 1,130 baccalaureate degrees each year. If the for-profit sector were to produce 10% (180 degrees), this leaves CSCU with a collective target of 950 (56%) additional degrees per year. This can likely only be accomplished by serving many more returning adults through increasing reliance on Charter Oaks.

At the associates level, about 630 degrees will be required each year. The current mix – 81% by the community colleges, 13% by private not-for-profit, and 6% by non-profits is not unreasonable. This translates into 510 additional associates produced by community colleges, 80 by private not-for-profit, and 40 by the for-profit sector.

The major question (and challenge) is at the certificate level. Overall, the additional requirement is for 860 per year. Historically, 80% of the certificates have been produced by for-profit institutions with community colleges producing 16% and other sectors the remaining 4%. For a variety of reasons, this split cannot be expected to carry forward into the future. Therefore, it is suggested that community colleges be expected to increase production by 520 per year and for-profits assume the remaining 340.

- 2. Contribute to the development of a globally competitive economy and sustainable regions and communities.** Increase higher education's contributions to fostering regions and communities that have globally competitive economies and environments that have the cultural and other amenities essential to attract and retain a highly educated, diverse population.

Targets

- Align degree production with the workforce needs of the state's employers: By 2025 increase by 20% the production of degrees in fields identified as state priorities (e.g., STEM, health, high value certificates – advanced manufacturing)
- Contribute to expansion and diversification of the state's economy through research and innovation: Double the new business activity resulting from research by 2025
- Engage higher education institutions in regional strategies to develop sustainable communities and regions in terms of economy, environment, culture, and other conditions that are essential to attract and retain a highly educated, diverse population

- Establish partnerships in every region focused on how higher education can contribute to sustainable communities engaging higher educational institutions (public and independent) with business, civic and cultural leaders
- Increase the number of students engaged in communities through community service, internships and community-based projects

3. Affordability: Ensure that higher education is affordable for Connecticut residents

Targets

- Net cost of attending public two-year institutions relative to the incomes of poor families (low quintile incomes) will be no more than the national average by 2025
- Reduce the amount of the average student loan to the national average by 2025

Findings: Policy Review

This section summarizes findings from NCHEMS review of current policy and practice. It is organized by area of potential policy action.

Finance policy

Finance policy and resource allocation procedures are the strongest tools available to state governments as they seek to not only create an appropriate array of strong institutions but to ensure these institutional assets are deployed in ways that serve the priority needs of the state. As a result, being strategic about the shaping and use of these tools is obligatory if state goals are to be reached (even pursued at all) in a cost-effective manner. The state's current approach to resource allocation falls short of best practice in several important ways:

- There is a lack of alignment of financial policy with long-term goals. The current approach has the effect of protecting the status quo, not strategically investing in new capacity or providing incentives for institutions to make focused efforts to pursue state priorities.
- There is no venue for considering the inter-relationships between tuition policy, student financial aid, state appropriations, and improvements to institutional productivity. Each of the major financial tools available to state government is used independently of each other. There is no effort – or mechanism – to synchronize them in an intentional, goal-oriented way.
- There is only limited recognition of role that non-public institutions play in meeting the state's goals and the resulting implications for both affordability and sustainability.

More specifically, the major observations regarding the ways in which state resources are allocated to institutions are as follows:

- Allocation mechanisms for public institutions are not aligned with goals and intended outcomes. They are primarily incremental and enrollment/cost driven rather than strategic and out-comes-driven. As a result they reinforce the status quo in an environment in which change is needed.
- Connecticut places a great deal of reliance on funding of special projects and pilots that do not have long-term systemic impact. Few, if any, are brought to scale. They may fund sound ideas, but they do not have lasting impact.
- The methods of allocation do not provide incentives for needed improvements in the cost-effectiveness of modes of delivery for students and the state.
- The methods provide no means to strategically utilize the capacity of the independent sector to contribute to achievement of goals in manner that is affordable to students and holds institutions accountable for performance.
- There is no vehicle to finance services for youth and adults who “fall between the cracks” of the K-12 system and adult education on the one hand, and college-level, credit bearing courses on the other (e.g., intensive remedial/developmental education). Given the importance of providing such individuals with additional skills, this is a major failure of the current approach.
- There is no statewide investment fund to provide for:
 - Rapid response to regional/employer needs utilizing the capacity of existing institutions
 - Supporting innovation in modes of provision to meet state goals

This is an area where innovative approaches (such as joint public/private funding) are a possibility.

- At the moment, institutions have every incentive to compete, and not collaborate. The funding model creates incentives to compete for students. This is inconsistent with the need for institutions to collaborate regionally with business, civic, cultural and educational leaders to building sustainable communities—uplifting the educational

attainment and quality of life of the region's population and creating an environment that will attract and retain a highly educated population (regional stewardship)

With regard to student financial aid policies, it is noted that they have been developed without reference to:

- State goals and clear definition of strategic priorities (e.g., increased degree production, ensuring affordability for that significant pool of under-prepared youth and adults who need at least some postsecondary education).
- Relationship of student aid policy to tuition policy and institutional appropriations. Student aid policy is a train on its own track.
- A recognition that the capacities of all sectors, including the independent sector, must be harnessed if state goals are to be reached.

There is a particular need to pilot new modes of student financial aid that provide incentives for students to engage in work-based learning ("Earn and Learn"). Approaches to aid that provide for such things as paid internships help the causes of both affordability and improved academic preparation in key areas.

Governance/decision-making authority

- While recognizing the work of the existing P-20 Council and the Board of Regent's Early College Task Force, there is a need for a more effective means to shape and ensure implementation of a P-20 agenda engaging the P—12 system, adult education, workforce development, and all postsecondary sectors (UCONN, CSCU, and independent sector),
 - To lead and ensure systemic implementation of policies on cross-cutting issues related to student success such as:
 - Reaching agreement on and implementing clear a statewide definition of what it means to be college and career ready for the K-12 system, students and parents
 - Alignment of K-12 standards and assessments with postsecondary expectations for entry into college-level math and English/language arts (as required by PA 12-40)
 - Regional collaboration between higher education (public and independent institutions) with K-12 to increase the percentage of students who are college/career ready

- Developing pathways between adult education and workforce development and postsecondary education
- To ensure systemic implementation (e.g., move from “pilots and projects” to system-wide implementation) of initiatives that “fall-between-the-cracks” of sectors (K-12/postsecondary, postsecondary/workforce development, postsecondary and adult education).
- Need for a clearer delineation and implementation of a community college system within the framework of the Board of Regents”
 - Ensuring the capacity for the full range of community college services in every region
 - Aligning finance policy with this mission
 - Providing for systemwide sharing of services and capacity (e.g., a rapid-response capacity related to workforce needs)
 - Taking advantage of the Board of Regents structure for shared services and capacity to address issues such as transfer and articulation.

Policy Leadership

Since the abolition of the old Department of Higher Ed, Connecticut has not had an entity responsible for policy formulation and leadership. The CSCU Board of Regents, regardless of any broader charges, is completely consumed by the work associated with forging a system out of the disparate institutions under its purview. The UConn Board is similarly narrowly engaged in oversight of the institutions entrusted to them. The Office of Higher Education is an administrative agency, not an entity taking the broad view of higher education policy and leading efforts to create a supportive policy environment.

What Connecticut needs – and does not have – is an entity or venue that:

- Has the authority and responsibility to
 - Establish, build consensus around, and sustain attention to long-term goals for postsecondary-level education attainment – or for the whole education system, P-20
 - Develop metrics and data/information system necessary for measuring progress toward goals and holding the system accountable for performance
 - Report annually on progress toward achieving the established goals

- Conduct highly respected analyses that can inform policy deliberations
- Provide a venue to discuss the challenges in reaching goals and shape recommendation to the Governor and Legislature on an action agenda to achieve goals (e.g., a two-year agenda toward long-term goals)
- Has a degree of independence from, but trusting relationships with
 - The state’s political leadership: the Governor and General Assembly
 - Higher education institutional leadership
- Is not encumbered by responsibilities for governing public institutions, or carrying out regulatory or administrative tasks that are inconsistent with statewide policy leadership

To have the stature necessary to be effective, this entity must be composed of the state’s most influential civic, business/industry, and cultural leaders and represent the diversity of the state’s population.

Regulatory environment

From a comparative perspective, Connecticut higher education institutions (both public and independent institutions) operate in a highly regulated environment. To ensure that the network of institutions has the capacity to respond to state goals and to compete in the regional and global economy, Connecticut should move toward a system that:

- Reshapes state accountability requirements from control of inputs to clear expectations for performance related to state goals.
- Uses finance policy and purposeful allocation of resources rather than regulatory controls as the means to ensure that institutions develop the programs and services needed to serve state and regional needs.

Policy Recommendations

Goals

That the Connecticut General Assembly adopt by statute the Goals as the overall framework for higher education in Connecticut including UCONN, CSCU and private higher education:

- Make clear that the goals of the constituent units (UNCONN and CSCU) are to be linked to the overall system goals
- Make other changes in existing statutes to eliminate duplication and overlap in goal statements

Finance

1. Change the overall framework guiding the allocation of state resources to institutions – a new framework having the following major components:

- Base funding: allocations made to sectors: UCONN, CSCU Universities, CSCU Community Colleges
 - Base allocations to be made as a lump sum but disconnect funding from historic cost drivers (negotiated faculty salary increases and numbers, for example)
 - Systems (UNCONN and CSCU) responsible for distributing allocations to campuses
 - Policy leadership entity responsible for recommending (and defending) sector-level amounts to the Governor and General Assembly
 - This will require the Planning Commission to develop criteria for allocating limited resources among the sectors, criteria that reflect the goals and the roles that each of the sectors will be expected to play in meeting those goals
- A state-level investment fund: Designed to enhance capacity as needed to achieve goals.
 - Criteria for projects and overall funding level recommended by Policy Leadership Entity after consultation with the system heads, Governor's staff, legislative committee chairs)
 - Institutions propose projects against these criteria
 - Projects (ideally) ranked by a panel of independent out-of-state experts.
 - A single pool of resources without sector entitlements.
 - Consistent with the goals and in keeping with the principle that allocation of resources should be aligned with goals, it is recommended that early on the following two initiatives be given strong consideration for designation as the highest priority investments:

- The creation of programs that integrate basic academic and vocational skills development in the same program (similar to Washington’s I-BEST program). These programs should be targeted to adults with significant deficiencies in college readiness, individuals badly in need of workplace skills and who have no chance of acquiring them through normal academic program channels.
- Linking higher education institutions to regional development and the creation of sustainable, attractive communities. These linkages could be with public schools, community groups and/or employers and be designed to foster collaborative efforts among postsecondary education institutions in a region (public and private) to narrow gaps in postsecondary access and success, and improve economies and quality of life for citizens in a region.

Both of these types of investments could require acquisition of some level of matching funds as a condition for funding eligibility – the first using funds from employers or state and federal funds, the second from community foundations or state and local community development funds.

- Outcome-based component
 - Rewards both public and independent institutions for:
 - Increasing the number of degrees produced with additional weight given to degrees awarded to underrepresented populations and in high priority fields. Degree production of CT residents, not out-of-state residents.
 - Increasing (Connecticut) business activity resulting from research.
 - Rewards for public institutions for improving productivity. The suggested metric for improved productivity is a decrease in the cost of degrees produced (degrees produced per total “public” revenue—state appropriations and tuition) compared to average of past three years.

2. Develop a strategic financing plan for Connecticut higher education that:

- Uses the goals as the point of departure
- Asks the questions: “What combination of tuition, student financial aid, appropriations to institutions, and improvements in institutional productivity:
 - Is feasible to put in place?

- Achieves goals?
 - Is affordable to both students and taxpayers?”
 - Can serve as a framework for the broader range of implementation
 - Has a time horizon consistent with that of the goals (i.e., extends to 2025).
3. Revamp the state’s student financial aid system
- Short-term
 - Create a Student Financial Aid Study Commission and charge it with designing:
 - A need-based grant program that:
 - Has “shared responsibility” as the overarching conceptual framework
 - Promotes attainment of the goals: supports the number of students required to meet goals
 - Keeps college affordable for the kinds of students who will have to be brought into the system if the goals are to be met
 - Recognizes the contributions of all sectors
 - Maximizes access to federal funds
 - An “Earn and Learn” program that:
 - Allows students to earn a paycheck while gaining workplace experience that carries academic credit
 - Incorporates incentives for corporate contributions (through tax credits or other means)
 - Provides for Technical High School students to be eligible if their programs are pathways to community college programs
 - A pilot of the Earn and Learn program in one or two fields that are designated as state priorities and have organized backing from employers/partners.
 - Long-term
 - Implement the recommendations of the Student Financial Aid Study Commission
 - Add additional academic programs to the Earn and Learn initiative

Regulation/deregulation

1. Short-term

- Undertake a more in-depth policy audit than was possible in the course of this project
- Provide regulatory relief in areas identified during the project as being major barriers to goal attainment
 - Purchasing and contracting
 - Program approval
 - Others?

2. Long-term

- Address the issues identified during the policy audit

Policy leadership

1. Short-term

Recognize the Planning Commission on Higher Education as the policy leadership entity charged with responsibility for sustaining attention to the goals, monitoring and reporting on progress toward the goals:

- Refer to the existing statutory language regarding annual reports
- Add language on advising the Governor and General Assembly in the strategic budgeting process and on policy actions needed to advance the plan
- Ensure that the Planning Commission membership includes the necessary involvement of key stakeholders
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- Continue to explore alternatives to provide the necessary staff support to the Planning Commission after support from NCHEMS is no longer available (2016 and beyond).

2. Long term

Establish or designate an appropriate policy leadership entity with the necessary staff support.

Accountability

1. Short-term

- Mandate that the Policy Leadership Entity prepare an annual report that:
 - Charts progress toward achieving the goals
 - Utilizes the metrics attached to the goals approved by the Planning Commission (as a minimum)
 - Includes analyses that point out barriers to success or suggest new policy implementation strategies
- Create a venue where
 - Political, education, and business leaders can come together to:
 - Review the progress report
 - Discuss an action plan for needed implementation steps
 - Help ensure continued attention/focus on the goals
 - Orient new members of the group to the goals and their importance to the state, and the implementation steps being employed
 - Use North Dakota Roundtable as a model
 - Broadly representative including Board members, business and economic development leaders, system heads, institutional presidents (public and private), legislators, Governor’s staff, faculty, students, and advocacy groups.
 - Staffed by the Policy Leadership Entity
 - Meet twice a year
 - One meeting timed in such a way that it informs criteria for investment fund

2. Long-term

- Sustain this activity over a long period of time
- On-going information sessions with regional groups and the media using goals and progress reports as the agenda

