



National Center for Higher Education Management Systems

*Increasing the Competitiveness of the Arkansas  
Workforce for a Knowledge-Based Economy:  
How Do Current Higher Education Policies Help or Get  
in the Way?*

*A Comprehensive Analysis of Higher Education Policy*

Prepared by  
the National Center for Higher Education Management Systems

for  
State of Arkansas  
12 January 2011

## Purpose

The National Center for Higher Education Management Systems (NCHEMS) conducted a comprehensive analysis of Arkansas higher education policies to determine how these policies contribute to or detract from the goal of increasing the educational attainment of the state's population. The study was undertaken in conjunction with Arkansas's participation in Complete College America and was funded in part by the Winthrop Rockefeller Foundation.

In conducting this analysis, NCHEMS:

- Analyzed data on Arkansas's educational attainment, economy, and higher education performance
- Reviewed existing statutes and policies
- Reviewed previous studies and task force reports
- Conducted regional meetings or individual interviews with:
  - The presidents and chancellors and senior officials of all Arkansas's public two-year and four-year colleges and universities and university systems and representatives of independent institutions
  - Legislative leaders and the Bureau of Legislative Research
  - Members of the Governor's Workforce Cabinet: Education, Career and Technical Education, Workforce Services, Arkansas Science and Technology Authority, Economic Development Commission, and Arkansas Association of Two-Year Colleges
  - Director and senior staff of the Arkansas Department of Higher Education and members of the Coordinating Board
  - The Arkansas Chamber of Commerce
  - Accelerate Arkansas
  - The Winthrop Rockefeller Foundation

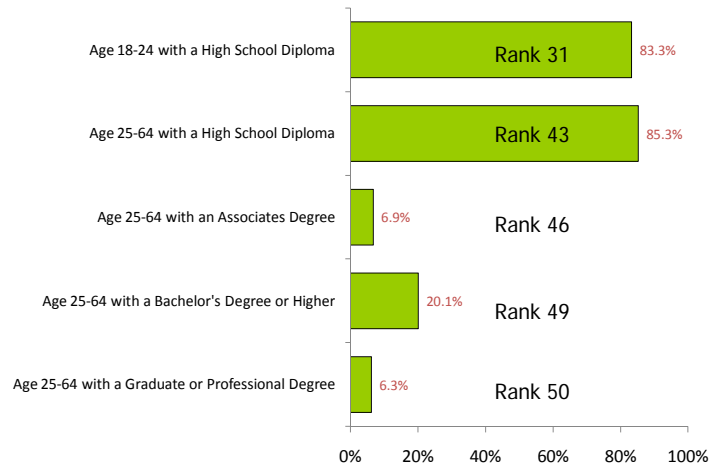
## Summary of Data Analysis

The following are key points from the data analysis.

- 1. Arkansas ranks 46<sup>th</sup> in the nation in the percentage of adults, ages 25 to 64 with an associate degree and 49<sup>th</sup> in the percentage with a bachelor's degree or higher**

## Educational Attainment and Rank Among States

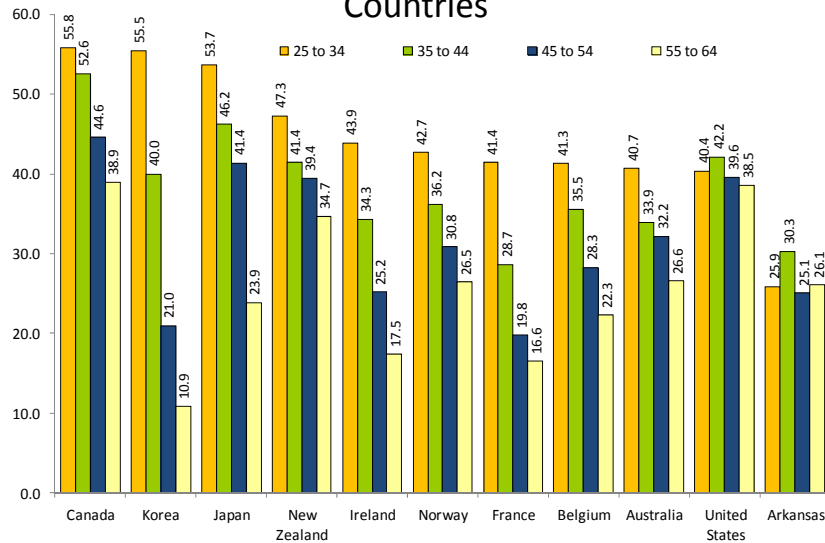
Arkansas, 2009



Source: U.S. Census Bureau, 2009 American Community Survey.

- The educational attainment of Arkansas's population lags far behind not only the U.S. but also many nations.** In most countries, the younger population ages 25 to 34 is better educated than previous generations. In Arkansas and the U.S. as a whole, the younger population is *less educated* than the previous generation.

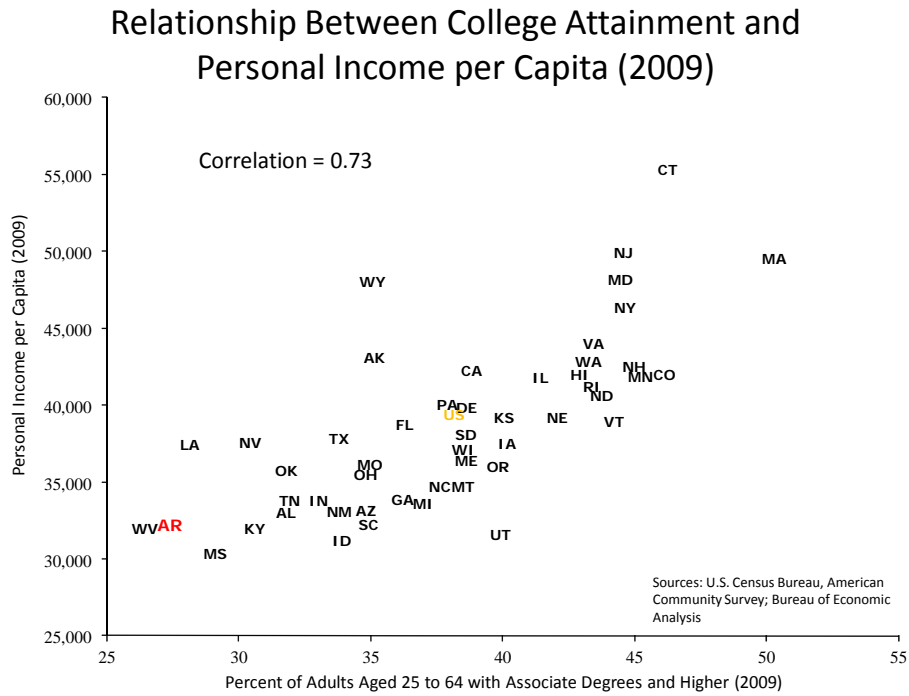
## Percent of Adults with an Associate Degree or Higher by Age Group – Arkansas, U.S. & Leading OECD Countries



slide 11

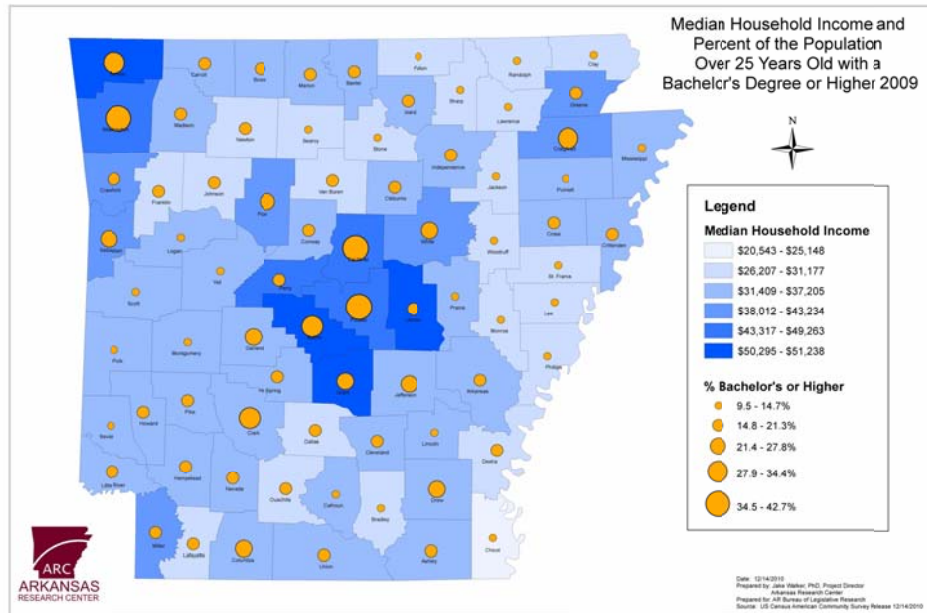
Source: OECD, Education at a Glance 2009

**3. Arkansas’s low educational attainment relates strongly to the state’s per capita personal income.**



**4. Any strategy to improve the state’s competitiveness must address *all* regions, not only those that are currently most competitive.**

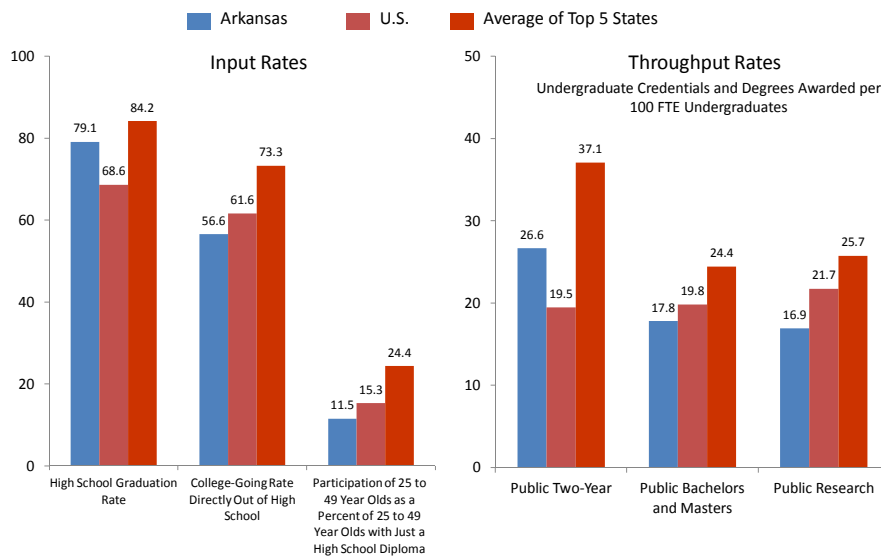
Differences across regions of Arkansas in income are directly related to the educational level of population. Arkansas is composed of several different “states” in terms of demography, economy, and educational attainment.



**5. Arkansas must make significant improvements in student success at every stage of the educational pipeline and for both youth and adults.**

- More students complete high school in Arkansas than the national average, but of these students, fewer enroll in college directly out of high school compared to the nation.
- Fewer adults enroll in higher education than the national average.
- Only the two-year public colleges produce more certificates or degrees per students enrolled compared to the national average but this higher level reflects a large number of less-than-one year certificates granted at a limited number of the colleges. Also, 54% of the associate degrees are in general studies fields that do not lead to jobs (some of these students transfer to universities, but the majority do not transfer). The public universities produce far fewer bachelor's degrees per students enrolled than the national average.

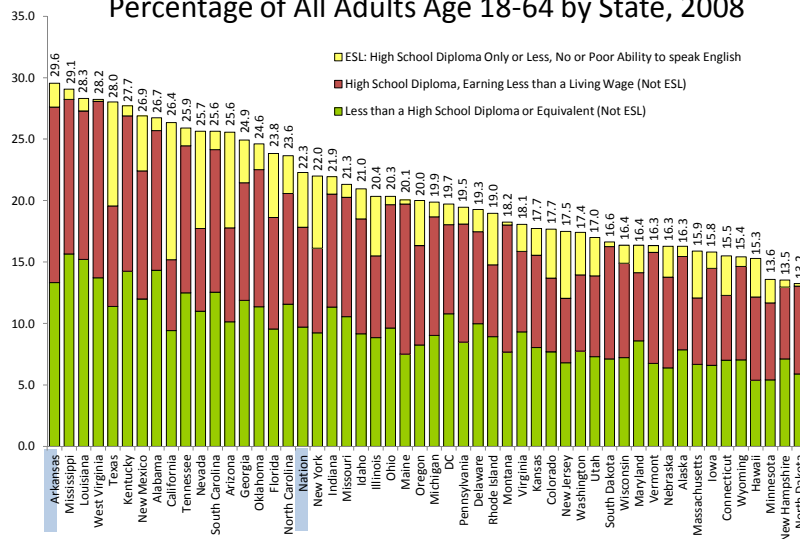
## High School Graduation, College Participation and Completion (2008)



Source: NCES; Common Core Data, IPEDS Completions and Enrollment Surveys

6. **Arkansas would have to double the number of quality degrees and certificates produced to reach the average of Southern Regional Education Board (SREB) states in the percentage of the population with an associate degree or higher by 2025—an estimated 44%.** President Obama has established a goal that by 2020 the United States “will once again have the highest proportion of college graduates in the world” – a level estimated to be 55%. For Arkansas to move from the current level of 26.5% of its population with a college credential to the level of 55% by 2020 would be an insurmountable goal. A more modest and attainable goal of the SREB average would still require Arkansas to increase the number of degrees (bachelor’s degrees, associate degrees, and certificates) by 2025 from the current annual level of 17,200 to 34,400—an annual increase of approximately 4.4%.
7. **Arkansas must get more adults to complete postsecondary education—at least to the level of a certificate necessary to make a living wage. Arkansas cannot reach competitive levels of educational attainment only by educating recent high school graduates.**
  - Even if Arkansas increased the college-going rate of recent high school graduates to the level of the best performing states, Arkansas would still fall short in the needed increase in degree production.
  - Arkansas currently has the highest percentage in the U.S. (tied with West Virginia) of adults ages 18 to 64 who have a high school diploma but are not in living wage jobs.

Adult Education and Literacy – Target Populations as a Percentage of All Adults Age 18-64 by State, 2008



Note: Incarcerated population not separated out.  
Source: U.S. Census Bureau, 2008 American Community Survey PUMS File.

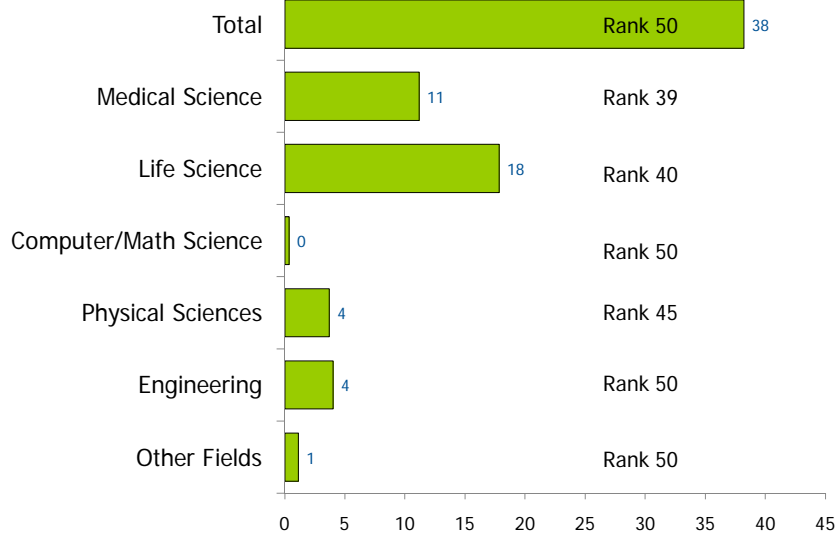
**8. Arkansas must make dramatic improvements in college participation, retention and completion across the system to be able to double the number of degrees and certificates produced annually by 2025.**

- Producing more bachelor’s degrees is important but not sufficient to meet the challenge. The state must also produce significantly more associate degrees and certificates leading to living wage jobs.
- Quality counts at every level of the system. The state must graduate more high school students who are college and career ready, prepare more under-educated adults for postsecondary education, ensure that students who transfer from two-year colleges to universities are prepared for upper-division work, and graduate more students at every level with the knowledge and skills relevant to a knowledge-based economy.

**9. Arkansas must develop an economy that will attract and retain an educated, high-skill workforce.** Producing more degrees is not enough. Arkansas exports more bachelor’s degree graduates than migrate to the state primarily because there are too few jobs that require a bachelor’s degree. Students obtaining certificates and associate degrees tend to be far less mobile. To increase the bachelor’s degree attainment level, Arkansas must not only increase the number of graduates but also develop an economy that will retain these graduates and attract other highly educated people to the state. The initiatives in the state’s Strategic Plan for Economic Development and promoted by Accelerate Arkansas to build a high skill, high-wage economy are critical complements to the efforts to improve college completion. Arkansas must also increase the competitiveness of R & D and link the outcomes of research to strategies to build a knowledge-based economy. Arkansas currently lags

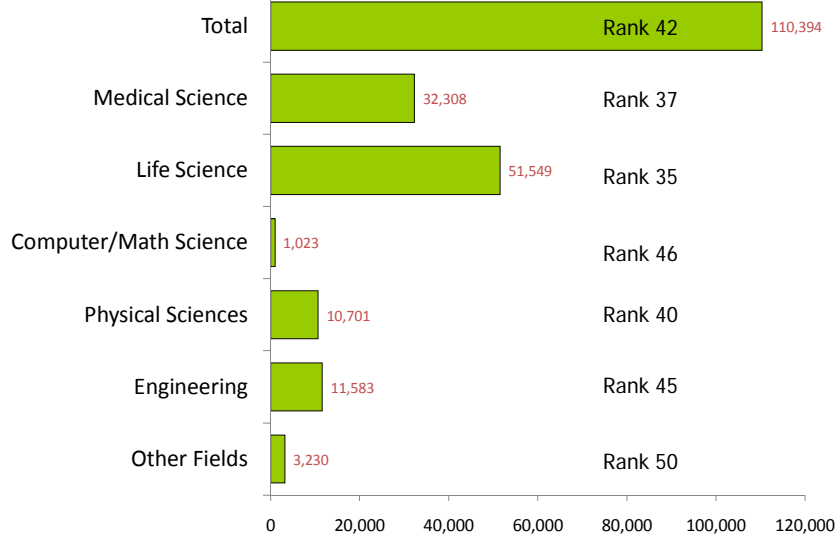
far behind other states in the competitiveness of its R & D as measured in terms of federal R & D expenditures in critical fields and on a per capita basis.

Arkansas Rank – Federal Research & Development Expenditures  
Per Capita by Field, 2009



Source: National Science Foundation

Arkansas Rank – Federal Research & Development Expenditures  
by Field, 2009



Source: National Science Foundation



## Observations and findings from policy audit

**1. Arkansas has already taken impressive actions to increase the global competitiveness of its workforce and economy, but much work remains to be done.** The need to improve the educational attainment of Arkansas's population is not news to Arkansas's leaders. Examples of actions include:

- Governor Beebe's Strategic Plan for Economic Development including goals to increase the incomes of Arkansans at a growth pace greater than the national average and to increase the number of workers with post-secondary training so they are prepared when they enter the workforce and equipped for new jobs in the future.
- The Task Force on Higher Education Remediation, Retention, and Graduation Rates, subsequent legislation enacted since 2008, and actions of the Department of Higher Education to reduce remedial education, improve transfer, and improve retention and graduation.
- The provision for the 2010-2011 biennium to allocate revenue to public institutions partially on the basis of performance to provide incentives to increase degree completion.
- Multiple institutional actions to increase student success, many of which are nationally recognized and supported by federal and foundation funding.

**2. Arkansas needs a clear statement of long-term goals for competitiveness in educational attainment that are (1) linked to the future competitiveness of the state's economy, and (2) reflect the realities of the current workforce.** The report of the Task Force on Higher Education Remediation, Retention, and Graduation Rates, *Access to Success*, focused on the goal of increasing the bachelor's degree-level educational attainment in Arkansas. This is an important goal for Arkansas but it is also important for the state to make dramatic gains in the production of associate degrees and certificates linked to the state's workforce needs. Interviews in the course of the policy audit revealed a tension between (1) those who believe that the state must give the highest priority to getting the current workforce career-ready to meet the needs of current employers, and (2) those who believe that priority must be given to preparing the workforce for the future knowledge-based economy. The data summarized above underscore that the state must address *both* these priorities. Increasing the number of bachelor's degrees, especially in critical fields of science, technology, engineering and mathematics (STEM) must be a priority if the state is to make the transition to a knowledge-based economy. At the same time, the state has the largest percentage of under-educated adults in the nation (tied with West Virginia) who have a high school diploma but are earning less than a living wage. A failure to serve this population will result in severe social and economic consequences for individuals and an extraordinary drain on the state's economy and well-being. Current employers will not be able to stay in business in Arkansas unless they are able to move up the value chain in terms of the quality of their workforce.

As indicated in the summary of the data analysis, it would require Arkansas to double the number of higher education degrees and certificates produced from the current

level of 17,200 to 34,400 by 2025 for Arkansas to move from the current level of 26.5% of the population with an associate degree or higher to the SREB average of 44%. To achieve this goal, Arkansas will need to educate significantly more recent high school graduates as well as adults and produce more quality degrees and certificates at every level of the system.

**3. Despite many well-intentioned state laws and policies, a significant gap remains between *policy intent* and the realities of *implementation*** at the classroom level—both school and college. As a result, there are great variations in what students are actually learning depending on students’ socio-economic status and across different regions and different schools and colleges. The figure below was developed to illustrate the challenges of implementing state P-12 reform but the same basic points are relevant to implementing state higher education policy. Arkansas has enacted laws and established policies at the “system” level (such as the mandated “Smart Core,” new requirements that schools administer the ACT assessments of “Plan, Explore,” new requirements for assessment of students in remedial education) but the actual implementation of these policies at the student level in terms of what students actually learn can take years and will vary extensively across schools and the state’s highly diverse regions. Enacting legislation and establishing policies will do little to change the ultimate outcomes unless there is the capacity at the school, college and system levels to make measurable improvements in what students actually learn (to narrow the gap between what is “intended” and what is “attained”). To complicate matters more, new laws and policies are being enacted that duplicate or contradict ones that are already in place or that schools and colleges are still struggling to implement. With the turnover of legislators spurred by term limits, the prospect for new laws is increasing and capacity of the General Assembly to remain focused on a consistent agenda will be increasingly difficult. *Arkansas will not “move the needle” in terms of improving the knowledge and skills of its population unless it pursues consistent, persistent and coherent education reform across all dimensions of the state’s educational system, P through 20.*

<i>Focus</i>	‘Outside’ Factors that Affect Learning	The Context in Which Learning Takes Place	The Content of Learning	The Outcomes of Learning: What can be Evaluated?
<i>System level</i>	Laws, system design and [social] conditions	Institutional settings and finance	<u>Intended</u> curriculum: the desired situation; policy, ‘standards’	System outcomes: indicators of access, equity, student flow, efficiency
<i>School/College level</i>	Community, school, and teaching conditions	School and classroom conditions	<u>Delivered</u> curriculum: classroom teaching, textbooks, hours	School or classroom outcomes: school quality, teaching quality
<i>Student level</i>	Student background and social/individual factors	Student motivation, interest and behavior	<u>Attained</u> curriculum: what the student actually learns	Student learning outcomes: <i>e.g.</i> , as measured by tests/exams related to state standards

- 4. Arkansas has a number of promising initiatives intended to improve college and career readiness and student success leading to a certificate or degree. But the state faces major challenges in moving from isolated good practice to system-wide implementation and sustainability.** Many of the initiatives identified in the course of the policy audit as the most promising (e.g., the two-year colleges participating in the “Achieving the Dream” project, Career Pathways, Career Coaches, and the Arkansas Delta Training and Education Consortium) depend on federal or foundation funding. No significant core state support is provided for these initiatives and no strategy could be identified for scaling up and sustaining the projects to have a statewide impact. Career Pathways, for example, was consistently identified as one of the most successful efforts to get high-risk adults through the system to a postsecondary credential leading to a living wage job—a major state priority. In fact, Career Pathways is a model that should be available not only to public assistance recipients but also to *all* students as a core element of the community college mission. Only with this kind of “wrap-around” coordination of services for at-risk students will two-year colleges be able to get more students (especially returning adults) through to a certificate or degree. The “Career Coaches” project was consistently cited as an excellent initiative. It is an effective means to help first-generation students and their parents understand how important it is for future careers for students to stay in school, take a rigorous curriculum, perform well, and stay on track toward graduation and a postsecondary education credential. But these two initiatives depend primarily on federal funding—funding that will be at risk as the federal government seeks to reduce the deficit.

Arkansas will not make progress toward long-term educational attainment goals unless the lessons learned from successful pilot programs and externally-funded projects are incorporated into common practice across the system. Making this transition requires both *system-level leadership* (e.g., at the level of the Department of Higher Education and other state departments) and state funding policies that provide support for *institutional-level capacity and performance*.

- 5. Institutions are overwhelmed by multiple requests for data but there is limited capacity to turn data into information that is useful either to improve institutional performance or public accountability.** As one participant in the policy audit expressed it, “Arkansas is data rich but information poor.” The Comprehensive Arkansas Higher Education Report as mandated by Act 416 of 2009 documents the scope of current reporting requirements. The Arkansas Longitudinal Data System will expand available data even further.

Act 416 was an important step to give a degree of coherence to the reporting requirements, but it also makes the scope of the problem transparent. Current reporting requirements, some of which date back a decade or more, yield reports totaling more than 1,500 pages. In addition to the statutorily mandated data requests there are multiple *ad hoc* requests, primarily from the General Assembly. The scope and volume of the reporting requirements lead to a blurring of priorities and ultimately to a lack of accountability. The state is requesting data on some issues that are important only for institutional leadership and management and are inappropriate for state-level policy. At the same time, because of a lack of a clear sense of state priorities, institutions are not being held accountable for performance on issues that really are appropriate for state-level performance (e.g., increasing completion

of degrees and certificates throughout the system). Key issues identified in the policy audit included the following:

- A lack of capacity to use the available data and multiple reports exists at every level of the system.
- The institutional effort to report data is driving out focus on actual use of the data for decision-making at the levels that it could be most useful (department, college, university and system).
- Many of the two-year institutions lack institutional research capacity to make use of information to improve student outcomes.

6. **No entity exists in Arkansas that has the capacity, authority and responsibility to provide statewide coordination and policy leadership for the state’s postsecondary education system.** Changes in the authority and responsibility of the Arkansas Higher Education Coordinating Board and Department of Higher Education enacted in 1997 (Act 1114 of 1997) eliminated the capacity for statewide coordination that exists in many other states. Twenty-three (23) states have statewide coordinating agencies and the most effective of these entities have authority and responsibility to set forth a public agenda and link finance policy to that agenda (e.g. in Kentucky, Indiana, Illinois, Oklahoma, Ohio, Illinois, Texas, and Virginia). By requiring the ADHE to gain the consensus of the college and university presidents on critical policy recommendations, the 1997 amendments in Arkansas basically subordinated statewide priorities to institutional interests. Such requirements undermine policy-making in the public interest. But they also undermine the state’s capacity to recognize significant differences among institutions in mission, needs and performance.

The need is *not* to increase state control of institutions or to centralize institutional governance and management. Good systems *decentralize* institutional governance and management but do so *within the framework of state policies of finance and accountability* aligned with state goals that ensure that relatively independent institutions respond to state priorities. Effective systems focus on state priorities and stay out of micro-management on institutional issues. These systems make extensive provision for seeking advice from institutional leaders but take great care to focus on the long-term priorities of the state and the public and not to assume that the “sum of institutional interests equals the state interest.”

What is needed in Arkansas is an entity with the statutory authority and capacity to:

- Articulate and build consensus behind a state goal for increasing postsecondary educational attainment.
- Develop and implement a strategic plan for achieving long-term goals.
- Ensure clear differentiation of institutional missions and alignment of these missions with state priorities.
- Ensure that state resources (state appropriations to institutions and student financial aid and lottery funds) are utilized to advance this agenda.
- Implement systemic change in critical areas such as remedial education.

**7. State finance policies (the actual allocation of state appropriations to institutions and student financial aid, including the lottery) are not fully aligned with state priorities and provide few incentives for increased degree production and college completion.** Finance policy is the most powerful lever for the state to influence institutional performance. All state funding is *performance* funding because the allocation methodologies (formulas and eligibility criteria) include explicit incentives for institutional behavior. The current Arkansas funding formulas are designed primarily to (1) reimburse costs and (2) provide incentives for enrolling students. Except for the performance funding provisions for the 2010-2011 biennium, the formulas provide no incentives for institutions for completion. For the 2010-2011 biennium, the General Assembly allocated state funding partially based on institutional performance. Because of the inability of the state to make differential allocations based on different levels of institutional “need” ( as defined by the formulas), significant disparities have developed, primarily among two-year institutions, in the levels of state support in relationship to calculated need. Statutory requirements for “hold-harmless” and for the presidents to reach consensus on institutional allocations undermine the state’s capacity to allocate funding in relation to need or state priorities.

Student financial aid (scholarship and grant programs, including the lottery scholarships) should be considered as integral to overall state finance policy for higher education. Arkansas currently has multiple grant and scholarship programs, the largest of which is the Academic Challenge Scholarship, recently expanded with revenue from the Arkansas Scholarship Lottery.. Each of these programs was designed with specific purposes in mind. Additional funding for scholarship from the lottery is having a profound impact on student behavior throughout the system. , Its full impact has yet to be determined. Fortunately, the Constitutional amendment provides authority for the Governor and General Assembly to refine the eligibility and other details of scholarship and grant programs funded by the lottery as necessary based on evaluation results, the availability of funds, and state priorities. It will be important for Arkansas to make changes in the lottery scholarships and other student financial aid programs in the context of state goals and an overall finance policy for higher education.

The lesson from other states that have successfully implemented fundamental changes in their higher education finance policies is that the changes must be worked out over several months with careful and thorough consultation with all affected parties. Having a Department of Higher Education with the authority and credibility to lead this design process is a fundamental requirement for success.

The specifications for current Arkansas funding formulas are in state statute. This practice places directly within the legislature the responsibility to work out the details of funding policies and of handling the inter-institutional conflicts that inevitably arise in the process. Best practice in other states (e.g., Tennessee) is for state statutes to define the *principles and criteria* for funding policy and formulas and to delegate to a state coordinating agency the responsibility for developing the detailed formulas and resource allocation methodologies and for using these in making budget recommendations to the Governor and General Assembly. The General Assembly should then act on the funding policy in the biennial budget process.

- 8. State policies regarding alignment of K-12 and higher education standards and assessments and remedial education must be fundamentally redesigned.** The recent report of the legislative task force on remedial education (December 2010) outlines many of the issues and alternative solutions. Despite recent well-intentioned legislation, Arkansas still needs to explore alternative assessments of college readiness and models for delivering remedial/developmental education to address the needs of significantly different student populations (recent high school graduates, returning adults, students lacking basic skills, students who are college-ready but needing remediation in specific areas, etc.).

Arkansas has not defined college and career readiness in a manner that gives clear, consistent direction to the education system and to students and parents. The state must intensify its efforts to increase college and career readiness for both youth and adults. Multiple, well-intentioned-- but often conflicting and over-lapping--testing and assessment mandates for secondary education, college admission, and college placement send mixed signals to students, teachers and parents about what it means to be college and career ready. Disagreements about the rigor of assessments for career readiness are hindering statewide implementation (CRC, WAGE, GED, etc.) and higher education is often left out of critical decisions related to standards and cut-off scores for college readiness. The state's commitment to the new Common Core State Standards and new assessments provides an opportunity for promising solutions to these issues. But pressures to lower standards and cut-off scores could undermine these initiatives' potential.

- 9. Arkansas needs a targeted strategy to serve adults who have serious deficits in the basic skills needed for further education leading to a living wage job.** Throughout the policy audit there were repeated stories of students (some recent high school graduates but primarily adults) with reading levels at the 4<sup>th</sup> to 8<sup>th</sup> grade levels and comparable levels of preparation in mathematics who were getting trapped in remedial education courses. Because Adult Education programs are available on many of the two-year college campuses, some of these students are referred to adult education. There are serious funding and policy disincentives for these referrals to take place. What is lacking in Arkansas is a comprehensive, systemic strategy, backed by governance and finance policy, to serve this population far more effectively. Arkansas leaders are aware of some of the most promising models in the country. As noted above, there are good examples of pilot programs or special projects that could be extended to other colleges or regions. But funding and policy disincentives as well as the structural divisions between the Department of Career Education (Adult Education Division and Career Education) and Department of Higher Education (and other departments) make it difficult to design and implement a comprehensive solution. In the I-BEST model in the State of Washington, for example, basic skills instructors and college-level career-technical faculty collaborate in the design and teaching of college-level occupational courses for adult basic skills students. Instruction in basic skills is thereby integrated with instruction in college-level career-technical skills. The I-BEST model challenges the conventional notion that basic skills instruction ought to be completed by students prior to starting college-level courses. This kind of approach offers the potential to accelerate the transition of adult basic skills students to and through college programs.

**10. Arkansas lacks the benefits of a comprehensive community and technical college system available in many other states.** The state's two-year institutions represent a critical resource to increase the educational attainment of the state's population and prepare the current and future workforce. The state-of-the-art systems (e.g., Kentucky, North Carolina, Oregon, Tennessee, Virginia and Washington State):

- Link funding of community colleges to performance in getting more youth and adults in every region of the state to be career and college ready and to complete a certificate or degree leading to a living-wage job.
- Promote collaboration in every region between community colleges, K-12 systems, workforce development, and regional universities to accelerate student progress and achievement toward a living-wage job (e.g., Arkansas Delta Training and Education Consortium).
- Include adult education and rapid-response workforce development.
- Provide a state-level "platform" for initiatives to improve remedial/developmental education, provide support for campuses on use of information and student services, and implement statewide initiatives to accelerate student progress to a certificate or degree.
- Provide the venue for implementation of integrated programs involving career and technical education and adult education to serve youth and adults (see above regarding the I-Best program in the State of Washington).

Arkansas has an exceptionally diverse range of governance arrangements for two-year institutions. The "system" is relatively young in that many of the colleges evolved from vocational and technical schools after legislation enacted in 1991. Many of the colleges are governed through systems while others have local governing boards. In undertaking the policy audit, NCHEMS began with the "given" that major changes in two-year college governance in Arkansas would be neither desirable nor feasible. A governance debate would be distracting and counter-productive. At the same time, it is clear from the policy audit that there needs to be a state-level mechanism to complement the work of the Arkansas Association of Two-Year Colleges (AATYC) to achieve statewide coordination and provide technical support for such a diverse network of institutions.

As noted earlier, one of the critical needs is to increase the capacity of two-year colleges to use information to improve student learning, monitor student programs, and improve institutional management. A critical role of a state-level community college entity would be to provide technical support to two-year colleges in the analysis and use of available data.

As a private not-for-profit entity, AATYC carries out many important functions, including advocating for the interests of two-year institutions before the Governor and General Assembly. However, as a private membership entity, it is a challenge for AATYC to make decisions that affect members differentially. It is not a public/state entity and therefore cannot carry out the functions normally associated with a state community college entity in other states (e.g., receiving and allocating state funding, acting as the state entity to receive and expend federal funds for community colleges, etc.). Under any scenario, a strong state association such as AATYC will be important for Arkansas. However, other states with

highly diverse, decentralized community college systems (e.g., Oregon) have both strong state associations and a state agency or office that carries out essential community college and workforce development functions. Both the association and the state agency work collaboratively, each carrying out a distinctive but complementary role.

Arkansas statutes (6-61-504) call for the Director of the Department to establish a separate division of community junior colleges within the Department of Higher Education and this division was operational until Act 1114 of 1997 which eliminated the capacity for statewide coordination. Act 1114 reduced ADHE authority and resulted in significant changes in agency funding and staffing. Given the critical role that two-year institutions must play in meeting the state's long-term education and workforce goals, the re-establishment of this division (appropriately renamed) should be a priority. Integration of adult education and career education (especially the career centers) with this division would facilitate implementation of a coordinated strategy in line with the best practice in the U.S. (e.g., Oregon and the State of Washington). If this integration is not feasible, increased collaboration across departments to develop such a strategy should be mandated.



## Next Steps in Arkansas

### Overall Framework

- Establish an overarching goal to increase the competitiveness of the Arkansas workforce by doubling the number of quality degrees granted (bachelor's degrees, associate degrees and certificates) by 2025. The goal should be to reach the SREB average in the percentage of the Arkansas population ages 25 to 64 with an associate degree or higher by 2025.
- Indicate that the strategy for attaining this goal is to:
  - Enhance the knowledge and skills of the workforce – increasing the education attainment levels of the working age population.
  - Use the intellectual/educational assets of the state to help create living wage jobs that can employ a more skilled workforce.
  - Emphasize need to strengthen research and the connection of research to creating jobs
- Propose a legislative package to create the capacity to lead and implement strategy

### Specific Actions

1. Reshape the mission and capacity of the ADHE into the Arkansas Department of Postsecondary Education with authority to lead a statewide strategy linking postsecondary education (universities, community and technical colleges, career and technical education, and science and technology) to the future economy and quality of life for the citizens of Arkansas. The Department's charge should be to promote cross-cabinet coordination in pursuit of the overarching state goal. Consider adding ex officio members to the Coordinating Board: Commissioner of Education, Executive Director of AR Economic Development Commission, President of the Arkansas Science and Technology Authority, and Director, Department of Workforce Services.
  - Charge the new ADPSE to:
    - Develop and gain consensus around a strategic plan to move Arkansas toward the long-term goal (e.g., the SREB average by 2025).
    - Develop the metrics to monitor and report on progress toward goals
    - Develop and recommend to the Governor and State Legislature the new performance-based funding policy (see below).
    - Make budget recommendations to the Governor and State Legislature.
    - Approve institutional role and missions.
    - Hold institutions accountable for performance related to state goals.

- Approve changes in academic programs that would significantly alter institutional missions (e.g., a proposal for a two-year institution to offer bachelor's degree programs).
  - Conduct policy analyses on critical issues facing Arkansas for the Governor and Legislature.
  - Lead statewide initiatives to increase completion (e.g., reform of remedial/development education).
  - Administer student financial aid programs.
  - Authorize non-public institutions.
  - Eliminate the provisions enacted in 1997 that make actions of the ADPSE subject to review and consensus of a Presidents' Council
2. Establish a Division of Community Colleges and Career and Technical Education within the ADPSE
- Transfer responsibility for Adult Education and Career Centers to this Division. If this transfer is not feasible, mandate by statute that Adult Education and Career Education collaborate with the Division in designing and implementing a comprehensive strategy to address the basic skills and career readiness preparation of adults through programs at each of the state's two-year institutions.
  - Define Division's mission to:
    - Provide statewide coordination of two-year institutions.
    - Enhance the state's capacity to deliver comprehensive community and technical college services (including career education and adult education) in every region of Arkansas.
    - Lead statewide initiatives at two-year colleges to improve college and career readiness and student achievement/completion (e.g., redesign of remedial education).
    - Collaborate with the Arkansas Association of Two-Year Colleges in pursuit of the overall state goals.
  - Designate a senior deputy director to head the division and ensure appropriate staff to create a seamless educational transition.
3. Direct the ADPSE to develop a funding model for Arkansas higher education that meets the following criteria:
- a. Integrates within a single policy framework all state policies that govern financing of higher education, including:
    - The funding formula allocating general operating funds to institutions
    - State funded scholarships and grants (including the lottery funding)
    - Tuition and other student fees

- b. Aligns allocation of state resources to both institutions and students with the goals stated in the higher education strategic plan.
- c. Sharpens and reinforces mission differentiation. Rewards different kinds of institutions – research universities, four-year teaching institutions, community colleges – for making different kinds of contributions to goals stated in the plan.
- d. Bases funding upon outcomes achieved rather than upon student enrollment or other measures of institutional activity. The outcomes to be rewarded should include (but need not be limited to) the following:
  - o Course completions
  - o Increase in the number of program completions – degrees and high value certificates (*not* on graduation rates)
  - o For community colleges, intermediate measures of success such as:
    - Completion of 30 credits
    - Transfer after accumulating at least 30 credits
  - o For research universities, increases in the levels of funding from federal, corporate, and philanthropic sources
- e. Implements changes fully over a period of time not to exceed five years
- f. Provides that the criteria for the student aid portions of the funding model are to:
  - o Promote student participation in postsecondary education
  - o Promote student success/completion
  - o Serve to maintain affordability

The funding model should be developed:

- o Through extensive consultation with (but not consensus of) the institutions (requires a change in the 1997 statute).
- o In time for formal adoption by the legislature in the 2012 session.

Before any subsequent amendments or revisions to the funding models become effective, the amendments or revisions should be presented to the appropriate committees of the General Assembly for review and comment.

- 4. Direct the Arkansas Department of Education (ADE) and the ADPSE jointly to:
  - a. Establish an “actionable” definition of college and career readiness aligned with the new Common Core State Standards.
  - b. Develop new standards and related assessments (including diagnostic/placement and adult education) aligned with the Common Core State Standards.

- c. Use Arkansas’s participation in the PARCC consortium to develop a new generation of assessments for high school completion and for diagnosis and placement in remedial/developmental education.
- 5. Mandate that assessments used in Adult Education (the GED or alternatives) and in Workforce Services for defining “career readiness” be aligned with the revised definition of “college and career readiness.”
- 6. Direct the ADPSE to develop a strategy to reduce remedial/developmental education by one-half by 2017. Charge the ADPSE to lead a series of statewide initiatives in conjunction with Complete College America to increase college and career readiness of youth and adults, reduce the number of students in remedial education, and accelerate the progress of students to a certificate or degree.
- 7. Provide/increase state matching competitive funding aligned with the state’s economic development priorities (recommended by ASTA and Accelerate Arkansas) to
  - a. Build the capacity/competitiveness of state’s research universities in fields aligned with state priorities.
  - b. Link research capacity with specific regional economic development initiatives to create high skill/high wage jobs.
  - c. Provide incentives for regional universities to collaborate with community colleges and link research and service to regional economic development.
- 8. Focus state reporting requirements on a limited number of key indicators related to state goals in order to (1) monitor state progress toward these goals and (2) hold institutions accountable for performance related explicitly to state goals
  - a. Undertake a thorough review of existing statutory reporting requirements to eliminate out-dated and redundant requests and eliminate data requests that are inappropriate for state-level decision-making.
  - b. Strengthen data and reporting requirements related to the key indicators as necessary for the Governor and General Assembly to monitor progress toward goals, policy implementation, and institutional accountability.
  - c. Strengthen the capacity at the institutional and system levels to translate data into information and to utilize information to improve student success and institutional management.

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- Community College Research Center, Teachers College, Columbia University (2009). *Educational Outcomes of I-BEST, Washington State Community and Technical College System's Integrated Basic Education and Skills Training Program*. CCRC Working Paper No. 16
- University of Arkansas Fayetteville (2010). *Destination Graduation: A Path to Enhancing Student Success*. Report of Improving Graduation Rate Task Force June 2010.

## List of Attendees at Regional Forums and other Meetings

Charisse	Childers	Accelerate Arkansas			
John	Davidson	ACE	Andy	Novobilski	ASU-J
Rod	Duckworth	ACE	Carol	O'Connor	ASU-J
Sandra	Porter	ACE	Greg	Phillips	ASU-J
Jim	Smith	ACE	Jill	Simons	ASU-J
Sonja	Wright-McMurr	ACE	Curtis	Steel	ASU-J
Laura	Bednar	ADE	Rick	Stripling	ASU-J
Jim	Boardman	ADE	Andrew	Sustich	ASU-J
Bill	Goff	ADE	Lonnie	Williams	ASU-J
Michelle	Griffin	ADE	Ed	Coulter	ASUMH
Susan	Harriman	ADE	Duane	Doyle	ASUN
Julie	Johnson Thomp	ADE	Allen	Mooneyhan	ASUN
Tom	Kimbrell	ADE	Mary	Robertson	ASUN
Jeremy	Lasiter	ADE	Linda	Sharp	ASUN
Charity	Smith	ADE	Robert	Summers	ASUN
Beverly	Williams	ADE	Bentley	Walace	ASUN
Tony	Wood	ADE	Ike	Wheeler	ASUN
Maria	Haley	AEDC	Larry	Williams	ASUN
Sheri	Bennett	ANC	Robert	Potts	ASU-System
Mary	Dement	ANC	Gary	Biller	ATU
Robin	Myers	ANC	Bob	Brown	ATU
Leslie	Wells	ANC	Jayne	Jones	ATU
Randy	Zook	ASCC	David	Mosely	ATU
Bill	Abernathy	AR General Assembly	Susie	Nicholson	ATU
Shane	Broadway	AR General Assembly	John	Watson	ATU
Eddie	Cheatham	AR General Assembly	Wyatt	Watson	ATU
Donna	Hutchinson	AR General Assembly	Jo Alice	Blondin	ATU-Ozark
Jimmy	Jeffress	AR General Assembly	Ken	Warden	ATU-Ozark
Johnnie	Roebuck	AR General Assembly	Jerri	Derlekowski	BLR
John	Ahlen	ASTA	Sarah	Ganahl	BLR
Deb	Garrett	ASUB	Mark	Hudson	BLR
Ted	Kalthoff	ASUB	Tony	Robinson	BLR
David	Mayes	ASUB	Anthony "T	Vogelgesang	BLR
Osa	Amienyi	ASU-J	Jake	Walker	BLR
David	Beasley	ASU-J	Steve	Cole	CCCUA
Paula	Bradberry	ASU-J	Barbara	Lacefield	CCCUA
Lynita	Cooksey	ASU-J	Maria	Parker	CCCUA
Tracy	Finch	ASU-J	Scott	Post	CCCUA
Len	Frey	ASU-J	Artee	Williams	DWS
Susan	Hanrahan	ASU-J	Coy	Grace	EACC
Dan	Howard	ASU-J	Jeff	Watson	EACC
Debbie	Ingram	ASU-J	Jennifer	Flinn	Governor's policy staff
Glen	Jones	ASU-J	Bobby	Jones	HSU
Kathryn	Jones	ASU-J	Vernon	Miles	HSU
Ed	Kremers	ASU-J	Ginger	Otwell	HSU
Dean	Lee	ASU-J	Charles	Welch	HSU
Don	Manes	ASU-J	Callie	Dunauin	MSCC
Christian	Murdock	ASU-J	Glen	Fenter	MSCC
			Jeff	Olson	NAC
			Katie	Vaughn	NAC
			Steve	Gates	NWACC

Jim	Hall	NWACC	Deborah	Pyland	SEAC
Mike	Hartman	NWACC	Laura	Robertson	SEAC
Becky	Paneitz	NWACC	Phil	Sherley	SEAC
John	Tuthill	NWACC	Phil	Shirley	SEAC
Barry	Ballard	OTC	Mary Kathy	Treglown	SEAC
Richard	Dawe	OZC	Diann	Williams	SEAC
Mike	Delong	OZC	Ben	Beaumont	UA System
Ron	Helm	OZC	Daniel	Ferritor	UA System
Lynn	Boone	PCCUA	Barbara	Goswick	UA System
Debby	King	PCCUA	Melissa	Rust	UA System
Steven	Murray	PCCUA	Alan	Sugg	UA System
Dan	Bakke	PTC	Debbie	Frazier	UACCB
Pamela	Cicirello	PTC	Kelly	Brzeski	UACCH
Joey	Cole	PTC	Bobby	James	UACCH
Wendy	Davis	PTC	Jennifer	Methvin	UACCH
Augusta	Farver	PTC	Diana	Arn	UACCM
Cynthia	Fletcher	PTC	Larry	Davis	UACCM
Cindy	Harkey	PTC	Darren	Jones	UACCM
David	Harris	PTC	Sharon	Gaber	UAF
Carol	Langston	PTC	Dave	Gearhart	UAF
Patricia	Palmer	PTC	Karen	Hodges	UAF
Ben	Rains	PTC	Suzanne	McCray	UAF
Christy	Sherrill	PTC	Daniel	Pugh	UAF
Keith	Slaten	PTC	Kathy	VanLaningham	UAF
Joseph	Sneed	PTC	Paul	Beran	UAFS
Joyce	Taylor	PTC	Arleene	Breaux	UAFS
Terry	Francis	RMCC	Brenda	Mithcell	UAFS
Wayne	Hatcher	RMCC	Penny	Pendleton	UAFS
Maureen	Keese	RMCC	Henry	Rinne	UAFS
Steve	Rook	RMCC	Diana	Rowden	UAFS
Phillip	Wilson	RMCC	Ray	Wallace	UAFS
Tammy	Young	RMCC	Bob	Adams	UALR
Barbara	Jones	SACC	Joel	Anderson	UALR
Barbara	Jones	SACC	David	Belcher	UALR
Stephanie	Tully-Dartez	SACC	Trakenya	Dobbins	UALR
Donna	Allen	SAUM	Tammy	Harrison	UALR
Roger	Giles	SAUM	Thea	Hoeft	UALR
Diane	Betts	SAUT	Susan	Hoffpauir	UALR
Reginald	Cooper	SAUT	Joni	Lee	UALR
Robert	Gunnels	SAUT	Sandra	Robertson	UALR
Corbet	Lamkin	SAUT	Clay	Brown	UAM
Gary	Oden	SAUT	Debbie	Bryant	UAM
Robert	White	SAUT	Sandra	Campbell	UAM
Furonda	Brasfield	SEAC	Peggy	Doss	UAM
Nerva	Copeland	SEAC	Carole	Efird	UAM
Candace	Jones	SEAC	Julie	Gentry	UAM
Linda	Lewis	SEAC	Pam	Gouner	UAM
Greg	Madden	SEAC	Brian	Hairston	UAM
Kaleybra	Morehead	SEAC	Jay	Hughes	UAM
Virginia	Perschbacher	SEAC	Laura	Hughes	UAM

Scott	Kuttenkuler	UAM
Jack	Lassiter	UAM
R. David	Ray	UAM
Linda	Rushing	UAM
Mark	Spencer	UAM
Tom	Springer	UAM
Bob	Ware	UAM
Mary	Whiting	UAM
Cheri	Goforth	UAMS
Larry	Milne	UAMS
Elbert	Bennett	UAPB
Carolyn	Blakely	UAPB
William	Bryant	UAPB
Verna	Cottonham	UAPB
Leon	Crumblin	UAPB
Lawrence	Davis	UAPB
Margaret	Hall	UAPB
Calvin	Johnson	UAPB
Verma	Jones	UAPB
Carla	Martin	UAPB
Linda	Okiror	UAPB
Yolanda	Page	UAPB
Antonie	Rice	UAPB
Jewell	Walker	UAPB
Lance	Grahn	UCA
Allen	Meadors	UCA
Diane	Newton	UCA
Sally	Roden	UCA
Cory	Anderson	WRF
Angela	Kremers	WRF