LEADERS [&] LAGGARDS

A State-by-State Report Card on
Public Postsecondary Education

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[Introduction]

American colleges and universities have long been viewed as the best in the world. Compared with other countries, the United States stands near the top in its nationwide percentage of college-educated adults. Our research universities dominate international rankings. Talented scholars and students from all corners of the globe come to study and teach on American campuses. By most accounts, our commitment to higher education access and excellence has been a key driver of our economic success.

Beneath this impressive exterior, however, some significant cracks are evident. Our youngest workers rank a disappointing 15th out of 34 industrialized countries in the percentage with a college diploma. Although the United States has been successful at getting more young people to start college, far too few finish a degree: 70% of our high school graduates now move on to some form of postsecondary education, but fewer than half of those who enroll finish a degree or certificate within six years. Graduation rates for black and Latino students are even worse. And there is growing skepticism about whether those lucky enough to graduate have acquired the skills and knowledge necessary for success in the 21st century economy.

Skyrocketing prices haven't added to the appeal of U.S. colleges. Tuition rates have grown at three times the rate of inflation in recent decades, with the most dramatic increases occurring over the past four years. Students who enrolled in public colleges three years ago now face tuition as much as 50% to 80% higher in some states. To be sure, cuts to state funding for higher education have accelerated these tuition increases, and in some cases higher tuition has been offset by increased student aid. But higher prices also reflect a model of postsecondary education that is expensive, inefficient, and slow to change.

Students, taxpayers, business leaders, and policymakers have real reason for concern. Projections of labor market demand show that two-thirds of all jobs will require some postsecondary education by 2018. However, given today's disappointing levels of higher education productivity, labor economists estimate that the United States will fall 3 million degrees short.

This education deficit greatly worries the business community—including the U.S. Chamber of Commerce. Businesspeople have a first-hand understanding of the ways in which building a skilled workforce is vital for innovation and economic growth. They are also well aware that postsecondary education is valuable for other reasons: graduates of high-quality degree programs have better critical thinking skills than their peers, are more engaged citizens, and are less likely to be unemployed.

But to reap these benefits fully, the nation clearly has a long way to go. Producing the additional degrees the United States needs would be a challenge in flush economic times; doing so in the current fiscal environment will require significant and difficult modifications. State budget cuts have led to tuition increases, reduced offerings, and fewer seats—problems that, realistically, can be remedied only with significantly improved productivity. No wonder a majority of Americans have come to question whether a college education is worth the price of attendance. Political leaders from the state house to the White House have echoed these concerns, telling colleges and universities that they must learn to do more with less and that they will be held accountable when they do not. The drumbeat for a more efficient and effective postsecondary system has become steadily louder; it is being heard across party lines and is mobilizing support from leading philanthropists. After a half-century of devoting significant resources to expanding college access and then, in essence, hoping for the best when it came to education outcomes, leaders are now demanding a better return on our higher education investment.

But sustained higher education reform will require more than just stump speeches and bully pulpit rhetoric. It will require state systems and colleges themselves to take a hard look at how they spend public money, how to measure the quality of the education they provide, and how to promote student success in the absence of additional funding. Luckily, some states are leading the way on these fronts, and there is much to learn from their experiences. But it is equally important to recognize where states are falling short so that stakeholders can demand better.

Identifying the best performers and those who have fallen behind—the leaders and laggards—requires comprehensive data and careful evaluation. This report aims to provide such an analysis, gathering extensive data, some of it previously unpublished, in order to examine postsecondary performance and policy across the states. It builds on the considerable success of the U.S. Chamber's *Leaders and Laggards* series, which

compared states on a host of measures of effectiveness, efficiency, and innovation in K–12 education. Just as those earlier reports concentrated on public schools, this edition focuses on the performance of the institutions over which state governments have the most influence: public colleges and universities. Though private colleges play an important role in higher education policy, we chose to focus on the institutions that enroll nearly three-quarters of American college students.

The framework we used to analyze states' performance reflects what we believe is an important shift in today's discussion of higher education policy—away from a heavy focus on inputs such as spending and toward an emphasis on student outcomes, return on public investment, and transparency. Against a backdrop of constrained public budgets and growing expectations for student access and success, concerns about productivity and quality will shape higher education policy in the decades to come. Evaluating the success of postsecondary institutions is notoriously challenging, for reasons ranging from poor data quality to lack of transparency. Nevertheless, enough information is now available to offer an analysis that, we hope, can advance the higher education debate in important ways. To create this report, we gathered the best available indicators of the performance of state higher education institutions. In an effort to systematically measure the most important factors being watched by policymakers, business leaders, and concerned citizens, we graded state performance and policy in the following six areas:

1. **Student Access & Success:** Do state institutions retain and graduate a high percentage of their students within a reasonable amount of time? Do they ensure access for low-income students?

2. **Efficiency & Cost-Effectiveness:** How much money do public institutions spend on education and related expenses per degree produced? How much does it cost, in state and local spending, to produce degrees?

3. **Meeting Labor Market Demand:** How much better do college graduates fare than their less-educated peers in terms of employment and wages?

4. **Transparency & Accountability**: Do states measure learning and labor market outcomes? Do they routinely make information on the performance of the higher education system available to the public?

5. **Policy Environment:** Do states have policies in place that provide incentives to promote degree completion and allow students to transfer course credits freely within the system?

6. **Innovation:** Have states made efforts to embrace innovative ways of delivering college instruction? Do states encourage innovative providers to serve nontraditional students who may be underserved by the existing system?

The results were sobering. Outside the top three states, in which about 70% of first-time freshmen finish a degree in six years, statewide completion rates at four-year public colleges typically hover around 50%. In 17 states, less than half of all first-time, bachelor's degree–seeking students complete a degree within six years. Completion rates for two-year colleges are even worse; just one state has a statewide graduation rate greater than 50%. Thirty-three states have two-year completion rates at or below 25%; in 13 states, less than 15% of students who start at two-year colleges graduated within 150% of normal time to degree.

All of this attrition is costly at a time when public and private resources are scarce. Thirty-three states spend more than $50,000 in education and related expenses to produce a credential at a two-year college; 13 spend more than $65,000. Although tuition remains low at most two-year colleges, this low sticker price masks considerable state and local spending per degree.

And while the need for skilled workers with high-quality postsecondary training has never been higher, most states have not yet developed adequate means to measure the quality of their postsecondary programs. We found that just 22 states have developed the ability to track the success of graduates once they enter the labor force and make those data public. Just four states allow prospective students and taxpayers to compare labor market outcomes across both institutions and programs. Measurement of student learning is even farther off the mark: only four states measure and publicly report how much college students learn in a way that allows outcomes to be compared across states. Without these measures of quality, states will be hard-pressed to ensure that their investments

in postsecondary education are paying off. Prospective students will continue to choose colleges without much information about whether the education they are investing in is likely to lead to appealing job opportunities and manageable debt.

Last, we found that too few states are implementing public policies designed to create more efficient and effective systems of higher education. Nineteen states have some form of outcomes-based funding; only a fraction of those have developed systems that reward colleges for educating low-income or underrepresented students. Eleven states have created common course numbering systems that facilitate the transfer of credit from one institution to the other. And while the vast majority of states have set goals for their higher education systems, just 16 have cast these goals in terms of concrete targets on measures such as educational attainment, student success, and the efficient use of public dollars.

The news is not all troubling, however. The laggards have a lot to learn from the states that have emerged as national leaders on certain measures. What's more, this is not just a story of the "best" higher education systems getting better. Some of the most innovative policy agendas have developed in states with low rates of student success, which is heartening evidence that policymakers and postsecondary leaders are actively and intentionally confronting the challenges they face.

As we formulated our research agenda, prepared our findings, and drew up our recommendations, we received valuable assistance from an advisory board of experts in postsecondary education: Tom Bailey, George and Abby O'Neill professor of economics and education, Columbia University; Kevin Carey, policy director, Education Sector; Peter Ewell, vice president, National Center for Higher Education Management Systems; Bridget Terry Long, professor of education and economics, Harvard University Graduate School of Education; Charles Miller, former chairman, The Secretary of Education's Commission on the Future of Higher Education and University of Texas Board of Regents; and Jane Wellman, executive director, National Association of System Heads. The group reviewed our approach and provided thoughtful suggestions. However, its members were under no obligation to endorse the final report; our research team takes full responsibility for the methodology and resulting grades.

Overall, our objective is to arm readers with information that gives them a clear-eyed view of how state systems of higher education compare with one another on a host of outcome, efficiency, and policy measures. We want to highlight promising directions for higher education reform. But we do not believe that there is one right way to proceed. Rather, we believe there are important principles that should guide leaders as they attempt to reform their public systems of higher education. Increased attention to productivity, cost-effectiveness, transparency, and innovation will help state-level decision makers understand where their state excels and where it may fall short.

Our hope is that state leaders can use this information to craft a reform agenda that best fits their needs and aspirations. At the same time, we recognize that a top-down approach to reform will not carry states very far. States must also craft policies that foster a healthier higher education market. Improved transparency and measurement of student outcomes can equip prospective students and their families to make more informed decisions about where to invest their time and money, rewarding institutions that provide a high return on investment and putting pressure on others to improve.

The business community has much at stake in this process, and not simply because of its need for better-trained employees. In the 21st century, a well-educated population is the cornerstone of a healthy society for all. While pushing for a range of higher education reforms, business leaders must work particularly closely with policymakers to demand better data on the performance of postsecondary institutions. Moreover, they must ensure that new information on the effectiveness of colleges and universities is brought to the public's attention. For its part, the U.S. Chamber intends to do whatever it can to advance the reform agenda outlined in these pages. Better information is the prerequisite for productive change. We recognize, like many others, that such change in postsecondary education is long overdue.

[Recommendations]

The U.S. Chamber of Commerce and its partners believe state policymakers should embrace several key principles when tackling the challenges outlined in these pages:

- **Find solutions that match state priorities**
- **Embrace transparency**
- **Focus on performance, not inputs**

There is little question that the shortcomings of colleges and universities around the country make a compelling case for prompt and far-reaching reform. To reiterate, however, the authors of this report believe there is no one right way to fix the problems of postsecondary education. There is a real risk that one-size-fits-all reform will impede creative solutions to postsecondary institutions' problems—and even make them worse. State leaders should not attempt to follow a rigid template for higher education reform. Instead, they should build systems that include room for creative experimentation, that measure and report the performance of postsecondary institutions, and that focus on achieving better results for students and taxpayers.

Within those parameters, states' priorities may vary. Some may invest their energies in meeting workforce needs by scaling up high-quality vocational certificate programs. Others may focus on student retention within traditional four-year degree programs. Similarly, while better public reporting of student and institutional outcomes is vital everywhere, there is more than one way to embrace transparency: one state's model public accountability report may not be exactly what another state needs.

What is needed everywhere is for thoughtful reformers to move evaluation of colleges and universities from an old world based on processes and inputs—how many students enroll, how much is spent on facilities, and so forth—to a new world based on performance. How many students earn credentials that signify real learning and have value in the labor force? Which institutions are producing well-prepared graduates in cost-effective and creative ways?

If this performance-oriented approach is applied uniformly, and transparently, to traditional institutions and new providers alike, it will create incentives for accountability and improvement both inside and outside today's system.

With this broad approach in mind, states should take the following reform measures:

1. **Promote degree completion**

   States should move away from funding formulas that are based too heavily on student enrollment. Although such policies do ensure that colleges will work to attract students, they neglect student success during college. Instead, states should require that some portion of each institution's base funding is tied to making sure that students who enroll finish their degrees in a timely manner.

   States should also set goals for degree attainment that reflect local economic realities. Not every state needs to double the number of every kind of degree. Some states boast top-of-the-line four-year colleges but have underperforming community colleges, and vice versa. Policymakers would be wise to target energy and resources on the institutions most in need of reform.

   Last, states could improve degree completion by removing the obstacles students often face when they wish to transfer credits between institutions. Policymakers should remove the uncertainty from this process by requiring public institutions to accept courses from other in-state providers, creating a system of common course numbering, and facilitating the movement of students across four- and two-year colleges.

2. **Improve measurement of postsecondary quality**

   States must find better ways to measure not only the quantity of degrees, but also their quality. Higher levels of postsecondary attainment will drive economic growth only if students are really learning something—and if the additional credentials earned in a state have value in the labor market.

   Every state should follow the lead of the handful that have successfully linked postsecondary data to employment and wage records collected by other state agencies. These linkages are a key component of emerging state-of-the-art longitudinal data systems that follow students from K–12 education through college and then into

the labor force. Such systems not only allow for better measurement of graduation rates, transfer outcomes, and time to degree; they also present an opportunity for policymakers to compare return on investment, in terms of graduates' future employment and wages, across programs and institutions. Regularly collecting these data is painstaking but critical work. Employers should push policymakers to make it happen.

States should also do more to assess student learning in a systematic and comparable way across institutions. Only a small number of states do this now. We are not arguing that all institutions should administer a particular exam, or that assessments should be a graduation requirement. However, there is still considerable room to measure student learning and report the results to the public in a way that informs decision making without infringing on institutional autonomy.

3. Promote efficiency

With state budgets tight, and demand for access to postsecondary education on the rise, it is widely understood that colleges and universities will need to find ways to do more with less. However, education leaders and policymakers seldom do the kind of analytical work that is needed to make colleges more productive. We recognize that there are different routes to enhanced efficiency and productivity. One is to produce more quality degrees for the same amount of public investment. The other is to maintain current levels of productivity in spite of reduced revenue. Either approach will raise the return on public investment. We are agnostic about which route states choose to adopt, and would encourage strategic policymakers and education leaders to explore the options that fit their context.

States should broaden measures of performance to include efficiency metrics like cost per degree. They should examine how those per-unit costs vary across institutions. And they should routinely measure return on public investments.

For their part, policymakers will need to clearly link spending to outcomes in order to assess the progress of colleges and universities. That will mean encouraging public institutions to create more detailed cost accounting systems, in order to better isolate the costs of undergraduate education, research, and institutional support. In addition to informing policymakers, this information will be helpful to colleges and universities themselves. Postsecondary institutions can use better efficiency metrics and a focus on outcomes to guide their decisions about how to make the best use of limited resources.

4. Improve transparency

Colleges and universities are too often reluctant to provide data that would allow consumers to compare their performance with that of other institutions. But consumers need information to make informed decisions about whether enrolling in a particular program or institution is worthwhile. Moreover, taxpayers and business leaders need performance data to hold colleges and universities accountable and to know which institutions are producing graduates with high-quality educations.

State leaders are uniquely positioned to serve as objective scorekeepers. That means, in part, taking steps to more systematically measure degree completion, the value of degrees in the marketplace, and how much those degrees cost the public. But it also means being certain that citizens are informed of all these outcomes—both how the postsecondary system performs overall and how the outcomes at individual colleges and programs compare with one another. States can make much greater use of Internet dashboards and consumer-friendly databases to highlight new data on learning and labor market outcomes.

5. Increase openness to innovative education models

Traditional colleges will be hard-pressed to produce more degrees at the same cost without introducing new modes of delivery. States should actively test the many important nontraditional initiatives that have been launched in recent years. The best-known of the new approaches—online learning and blended learning, which combines

face-to-face classroom teaching with technology-based instruction—presents an opportunity to build additional capacity at lower cost, while appealing to nontraditional students in search of more flexible class schedules. Many other innovations deserve consideration as well, including competency-based models, degree structures that give credit for prior learning, and career-oriented apprenticeship programs.

States should also bear in mind that innovation is beginning to take place both inside and outside traditional institutions. Policymakers should ensure that regulatory barriers do not impede students' access to the diverse array of public and private providers offering innovative and worthwhile programs.

[Methodology & Findings]

To calculate grades for each of the report's six main categories—student access and success, efficiency and cost-effectiveness, meeting labor market demand, transparency and accountability, policy environment, and innovation—we analyzed a wide range of data both from existing sources and from our own research. The rationale for examining each category, the basic methodology used for each subcategory, and the core findings can be found in the six sections that follow.

Some major methodological decisions were common to all six categories. Our state-by-state analysis focused solely on public colleges and universities at the four- and two-year level. We chose to focus on these institutions for two reasons. First, they educate the vast majority of students enrolled in postsecondary education. Second, they are the institutions over which states have the most control, and they receive the bulk of state tax dollars dedicated to higher education. Private colleges, while important, represent a smaller portion of the higher education universe and are not subject to the same state regulatory and financial constraints as public institutions.

We also limited our scope to include four- and two-year degree and non-degree granting colleges. Less than two-year institutions, many of which include technical high schools and adult basic education centers, were not included in the analysis. While these schools are an important piece of some states' workforce development portfolio, they are few in number and enroll a small fraction of postsecondary students. We also excluded tribal colleges, service academies, and special focus medical schools and medical centers from the analysis.

Wherever possible, we disaggregated our metrics across four-year and two-year colleges. We did this for two reasons. The first was to adequately reflect different institutional missions. The second was to ensure that we were providing a holistic picture of the various pieces of the higher education portfolio in each state. We categorized institutions based on the primary credential they award (i.e., institutions that are labeled four-year colleges but award primarily associate's degrees or below are categorized as two-year colleges).

For the data-driven metrics in the first and second sections, data were collected at the institutional level. State-level averages, therefore, reflect sum totals of credentials produced, students retained, or dollars spent across all of the public institutions in the state in a given category. In other words, these are weighted averages, where the completion rate at any single institution is weighted by its size relative to the other institutions in the category and in the state. Wherever possible and unless otherwise noted, three years of data were used in order to smooth out any irregularities.

For each of the six sections, when we aggregated the individual measures into overall grades we weighted each measure equally. For sections one through three, which are based entirely on education data, we graded states on a five-point scale, with five points signifying the best possible score, according to how far above or below the national mean a state fell on each individual metric. We then summed these ratings and assigned letter grades on the basis of each state's overall score. For the policy metrics in sections four through six, we combined the individual measures to create an overall score out of 100, then assigned grades by quintile.

For further details on how the grades were calculated, see the Technical Appendix at http://icw.uschamber.com/content/leaders-and-laggards-appendix.

Public Postsecondary Education Across the Nation

	[Four-Year]				[Two-Year]				[State]		
	Student Access & Success	Efficiency & Cost-Effectiveness	Meeting Labor Market Demand	Transparency & Accountability	Student Access & Success	Efficiency & Cost-Effectiveness	Meeting Labor Market Demand	Transparency & Accountability	Policy Environment	Innovation: Online Learning	Innovation: Openness to Providers
Alabama	D	D	A	F	C	D	A	F	D	D	F
Alaska	F	F	C	F	F	F	A	F	D	C	D
Arizona	C	B	B	C	C	B	C	F	B	D	B
Arkansas	D	C	B	F	C	B	F	D	B	F	F
California	A	B	B	D	C	D	B	D	D	C	C
Colorado	D	A	D	D	C	B	F	F	B	B	C
Connecticut	B	C	B	B	F	F	C	B	F	C	D
Delaware	B	D	B	F	F	D	C	F	F	F	B
Florida	A	B	C	C	A	A	C	C	B	A	D
Georgia	C	B	C	D	B	A	C	F	D	A	F
Hawaii	D	F	C	D	D	F	B	F	B	B	A
Idaho	F	F	D	D	C	D	F	F	C	C	A
Illinois	A	B	C	D	D	C	C	D	B	C	F
Indiana	C	D	B	C	D	B	C	C	A	A	C
Iowa	B	D	B	F	B	C	C	D	C	C	D
Kansas	C	C	C	D	B	C	C	D	B	D	F
Kentucky	D	D	C	C	B	A	D	C	C	B	F
Louisiana	F	C	B	D	C	B	C	D	A	C	D
Maine	C	D	C	F	B	C	B	F	F	C	B
Maryland	B	A	B	D	D	D	A	D	D	C	D
Massachusetts	C	C	C	D	D	C	C	D	C	C	F
Michigan	B	C	A	F	C	C	A	F	F	D	B
Minnesota	C	C	D	A	B	B	C	B	B	A	F
Mississippi	B	C	C	F	B	C	A	F	D	F	C
Missouri	C	C	B	D	C	C	C	D	C	D	D
Montana	D	C	F	D	B	D	F	D	C	B	B
Nebraska	C	C	C	D	B	D	C	D	F	D	C
Nevada	F	C	D	D	F	D	C	D	C	F	D
New Hampshire	C	A	D	D	C	B	F	F	D	D	F
New Jersey	A	B	C	D	D	B	C	D	C	D	B
New Mexico	D	D	C	F	F	D	F	D	C	C	F
New York	B	B	C	D	C	C	D	D	D	B	B
North Carolina	B	F	C	C	C	D	C	C	C	B	F
North Dakota	D	C	F	D	A	B	D	D	B	A	D
Ohio	C	C	B	C	D	C	C	D	A	C	F
Oklahoma	C	B	C	C	C	D	C	D	C	C	B
Oregon	C	A	D	D	D	F	D	F	C	D	F
Pennsylvania	B	C	C	F	C	C	D	F	D	D	A
Rhode Island	C	B	C	D	F	D	C	F	D	D	D
South Carolina	B	C	C	F	D	C	B	F	D	C	D
South Dakota	D	D	C	C	A	B	B	C	C	C	A
Tennessee	D	D	B	C	B	B	C	C	A	B	F
Texas	C	A	C	A	D	C	B	B	C	C	F
Utah	D	B	D	F	B	B	C	F	D	D	A
Vermont	B	C	F	F	A	B	B	F	F	F	D
Virginia	A	A	A	D	D	B	C	D	F	D	C
Washington	A	C	C	C	B	C	D	C	D	D	D
West Virginia	D	C	F	C	C	B	D	D	C	C	D
Wisconsin	C	B	C	D	A	F	C	F	D	B	F
Wyoming	D	F	D	D	C	F	D	C	C	A	C

[Student Access & Success]

Rationale and Methodology

It is no surprise that degree completion has moved to the heart of postsecondary reform debates today. The vast majority of students who enroll in college hope to earn a credential that will help them find a job. Unfortunately, too many fail to graduate on time—or ever. Meanwhile, employers who need workers with postsecondary training are keenly aware of how hard it can be to find new graduates to fill open positions. And taxpayers also lose out when public investments in higher education fail to yield satisfactory results, given the extensive evidence showing the broad economic benefits created by a well-educated population.

Against this backdrop, we graded the states on their success in helping students enroll in college and obtain postsecondary credentials. However, we did so with the understanding that focusing on completion rates in isolation can unleash perverse incentives, convincing institutions that the way to improve their standing is to become more selective and restrict access to those students most likely to succeed. In fact, in order to raise attainment rates—or the percentage of adults with a college degree—college leaders must also ensure that states remain committed to enrolling disadvantaged students, who have traditionally been underrepresented in higher education. The challenge is two-fold: states must increase degree completion while maintaining a commitment to access.

The measures used addressed both sets of concerns. We focused on key measures of student success and degree productivity such as retention rates, completion rates, and credentials produced per 100 full-time students. At the same time, we combined these measures with others that capture higher education access and how well schools perform even after controlling for the percentage of low-income students that they enroll.

Unless otherwise noted, we used the most recent data available from the Integrated Postsecondary Education Data System (IPEDS), the federal government's largest database on U.S. colleges and universities. While we are aware of the limitations of IPEDS data, it is the only data set that is consistent and comparable across institutions and states.

Percentage of Undergraduates Receiving Pell Grants. The percentage of undergraduates receiving Pell Grants, need-based federal scholarships, is a good proxy for an institution's commitment to providing access to low-income students. We rated states on the percentage of undergraduates at public institutions that received Pell Grants during the two most recent academic years for which these data are available.

Retention Rates. In order for students to finish a four- or two-year degree, they must return to school after their first year. Unfortunately, many students don't persist from one year to the next. The first-year retention rate measures the percentage of full-time students who begin in the fall semester and then return to take classes the following fall. We measured retention using IPEDS data for full-time students.

Completion Rates. To reap the full return of an investment in postsecondary education, students must finish a credential within a reasonable amount of time. IPEDS measures the proportion of first-time, full-time degree- or certificate-seeking students who finish their credentials within 150% of the normal time to degree (three years for a two-year degree (AA) or certificate, or six years for a bachelor's degree (BA)).

Completions Per 100 Full-Time Equivalent Undergraduate Students. IPEDS graduation rates have well-documented flaws: they cover only first-time, full-time undergraduate students, meaning they do not count students who transfer in and finish a degree or students who do not attend full-time. Higher education analysts have developed an alternative metric that calculates the number of completions produced per full-time student. This more comprehensive measure includes all undergraduate degrees and certificates awarded and all undergraduate students. In order to account for degrees and certificates of different lengths, we weighted degrees based on their normal time to completion compared with a reference category (AA degrees for two-year colleges, BA degrees for four-year colleges).

Risk-Adjusted Completion Rates. We believe that colleges should be recognized and rewarded for enrolling and graduating low-income students. Raising completion rates by excluding particular students will do little to raise our overall education attainment. Therefore, we developed

a metric that measures each state's graduation-rate performance after taking into account the percentage of first-time students that receive Pell Grants. This risk-adjusted metric essentially measures how far above or below the curve a college's graduation rate is given how many Pell students it enrolls. We rewarded states whose postsecondary institutions performed better than expected on this measure.

Membership in Complete College America. Complete College America is a national consortium of states focused on measuring student success and degree completion more accurately, comprehensively, and systematically (see spotlight on page 19). States that join Complete College America demonstrate their commitment to transparency by making public data on college participation, progression, and degree completion. We applaud this commitment and although we did not include membership in the grading of states, we reported which states participate on page 19.

Findings

At the four-year level, Washington state, California, and Florida earned the highest grades. On every metric other than the percentage of students receiving Pell Grants, Washington state and California placed in the top 10. California was in the top 15 in all categories. Three other states received top grades at the four-year level (Illinois, New Jersey, and Virginia).

At the other end of the spectrum, Alaska, Idaho, Louisiana, and Nevada lagged far behind the vast majority of other states, earning F grades at the four-year level. Outside of the percent-Pell metric, Alaska, Idaho, and Louisiana ranked in the bottom 10 on every measure.

The results at the sub-baccalaureate level are quite different. The Dakotas stood out as leaders at the two-year level. On every measure save the percentage of students receiving Pell Grants, North and South Dakota stood at the top of the national rankings. Their performance is even more striking when contrasted with their mediocre-to-poor ranking at the four-year level. Florida also emerged as a top state, making it the only state to receive an A grade at both levels. Vermont and Wisconsin rounded out the group of top states at the two-year college level.

By contrast, New Mexico, Nevada, and Alaska lagged behind their peers across the country. In each of these states, completion rates at two-year colleges were less than 20%; Nevada and New Mexico's completion rates were below 15%. Interestingly, several states with above average performance at the four-year level look much worse at the two-year level. Delaware, Connecticut, and Maryland each ranked highly at the four-year level, receiving B grades on our criteria. At the two-year college level, though, they did not fare nearly as well, ranking near the bottom of the standings on measures of student success.

Leaders & Laggards at a Glance

Four-Year Leaders:	**California, Florida and Washington state**
Four-Year Laggards:	**Alaska, Idaho, Louisiana, and Nevada**
Two-Year Leaders:	**North Dakota and South Dakota**
Two-Year Laggards:	**Alaska, Nevada, and New Mexico**

Detailed Findings

Percentage of Undergraduates Receiving Pell Grants. In 2009–2010, 37.8% of all undergraduates at public, four-year universities received Pell Grants. Pell recipients were more common in public two-year colleges, where nearly half of all students (48.6%) received a Pell Grant in that year. The percentage of undergraduates receiving Pell Grants has increased by eight to nine percentage points at both levels since the early 2000s.

At the four-year level, New Mexico had the highest proportion of Pell Grant recipients, with about 70% of their undergraduate students receiving grants; no other state cracked 50%, though more than 45% of undergraduates in Florida, Arkansas, and Mississippi were Pell recipients. Delaware, New Hampshire, and Connecticut had the lowest number of Pell recipients, with 20% or fewer.

Among two-year colleges, southern states tended to boast the highest proportion of Pell Grant recipients. Community colleges in Georgia and Mississippi had more than 70% Pell recipients, and Kentucky, Arkansas, and South Carolina were not far behind. In contrast, western

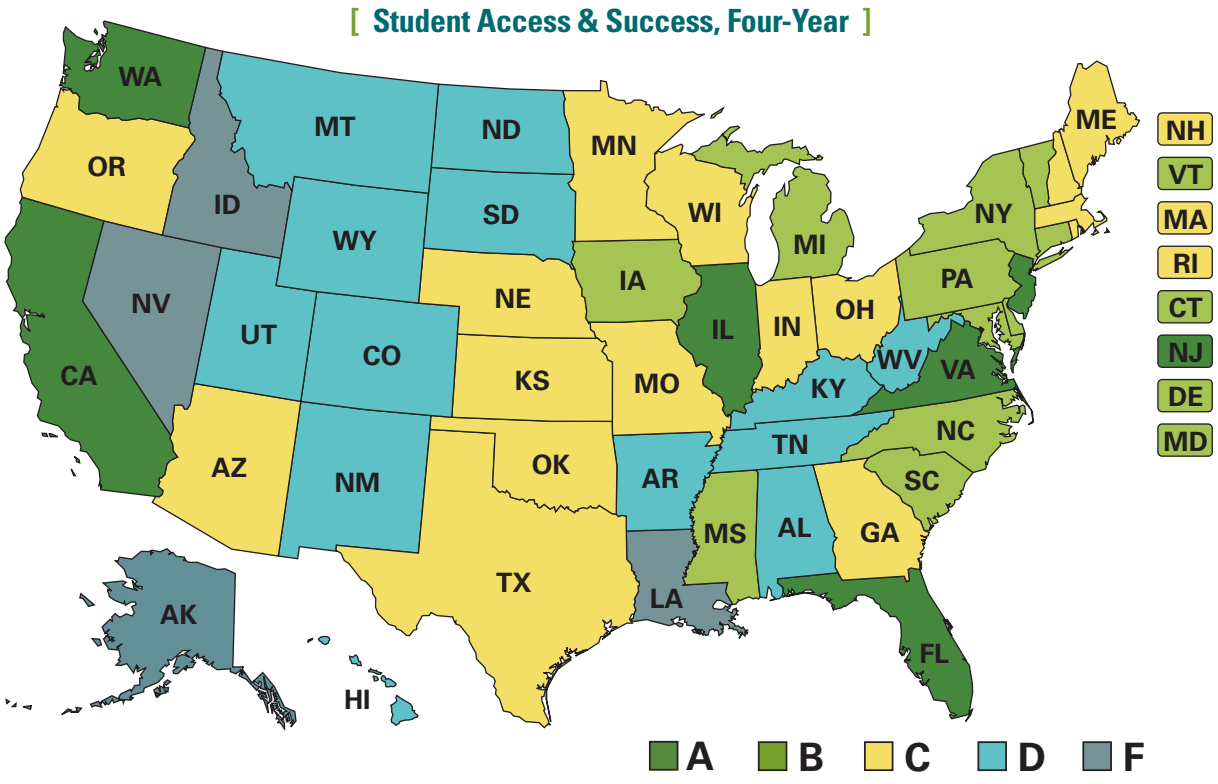
states had the lowest percent Pell at the two-year level, with less than 30% of students in Alaska, California, and Hawaii receiving a Pell Grant.

Retention, Completion, Completions Per 100 Full-Time Equivalent Undergraduates, and Risk-Adjusted Completion Rates. According to data from the National Center for Education Statistics (NCES), the national retention rate for public four-year colleges in 2009 was about 79%. Sixteen states, led by Florida, Delaware, and Virginia, had three-year average retention rates of over 80%. At the other end, Idaho, Montana, Arkansas, and Oklahoma ranked at the bottom, with first-year retention rates of 71% or less.

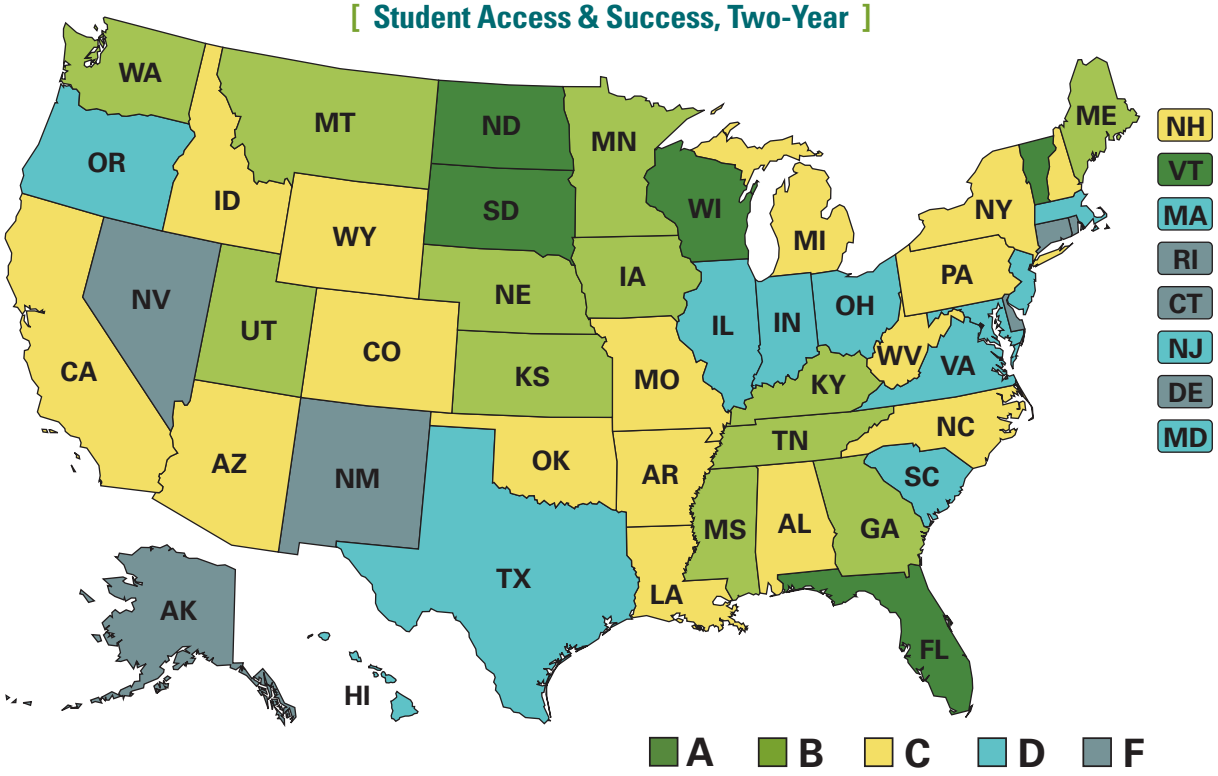
When it comes to completion rates at public four-year colleges, the national average has remained relatively consistent over the past decade at just below 55%. The nation's leaders on this metric—Delaware, Washington, Virginia, Iowa, and New Hampshire—all boasted six-year completion rates that were more than 10 percentage points higher than the national average. Together, Delaware's two, four-year colleges graduated more than 70% of first-time bachelor's degree-seeking students.

California, the state with the largest incoming class of bachelor's degree-seeking students, graduated just below 65% of the nearly 210,000 first-time, full-time BA-seeking students that enrolled in 2002, 2003, and 2004. By comparison, four-year colleges in Alaska, Idaho, and Louisiana graduated less than 40% of first-time students within six years.

The completions per 100 full-time equivalent (FTE) measure is arguably an even better measure of degree productivity than completion rates because it covers more students and counts more credentials. It is important to remember that we weighted degrees and certificates in reference to the BA, meaning that sub-baccalaureate credentials awarded by four-year colleges were counted as a fraction of a bachelor's. Without this weighting, a college that produced 20 BA's would look identical to one that produced 10 BA's and 10 AA's, despite the fact that AA's take only half the time of a BA.



[Student Access & Success, Two-Year]



Instead, we wanted to be sure that we rewarded four-year colleges for producing four-year degrees.

Among the top states on this measure were some of the usual suspects: Washington state, California, Illinois, and Florida all produced more than 23 completions per 100 full-time undergraduates. Texas ranks much better on this measure than it does on the completion rate metric; its 22 completions per 100 FTE ranks it in the top 10. Alaska produces an abysmal 11.7 completions per 100 FTE, nearly five completions per FTE behind Idaho and South Dakota, both of which produce just over 16.5 four-year completions per FTE.

When it comes to doing better than expected given their proportion of students receiving Pell Grants, California and Washington state again emerged as leading states, along with New Jersey and Pennsylvania. Two southern states—North Carolina and Mississippi—also ranked well on the risk-adjusted metrics. Alaska, Utah, and Nevada's four-year colleges actually performed worse than we had expected given the number of low-income students that they enroll.

National retention rates at two-year public colleges were much lower than at four-year institutions—59% in 2009. At the state level, South and North Dakota, Florida, and California had the highest retention rates across the three years analyzed here, boasting rates of about 64% or above. North and South Dakota had retention rates of 68% and 69%, respectively, in their public two-year colleges. Alaska's lone community college—Prince William Community College—had a retention rate of 37.7%, ranking Alaska last on the list. West Virginia, Louisiana, and South Carolina all retained less than 53% of their two-year college students.

Completion rates are also notoriously low at two-year colleges. Nationally, the graduation rate at public, two-year colleges was 22.5% in 2010. In our data, South Dakota was a welcome exception, boasting a completion rate of 58%. But South Dakota was the only state with a two-year college completion rate over 40%. The next closest state, North Dakota, had a completion rate of just over 38%, and Florida, Utah, and Vermont were the only other states with a completion rate higher than 35%. On the other end of

the spectrum, Rhode Island (9.4%), Delaware (10.5%), and Connecticut (10.6%) had the lowest overall completion rates, each earning the lowest rating on our grading scale. In all, 13 states had completion rates lower than 15% for their two-year institutions. Fully 33 states had completion rates lower than 25%.

On the completions per FTE measure, the Dakotas again outperformed the rest of the field, producing 30.1 (North Dakota) and 28.1 (South Dakota) two-year credentials per 100 full-time students. Louisiana and Kentucky, two states that do not perform particularly well on the retention or completion measures, both made the top 10 on this metric, largely because of their emphasis on short-term certificates. Alaska and Nevada earned the worst grades in the country. Interestingly, two states that were top performers on other indicators—Texas and California—did not perform well on this measure, producing about 12.5 (Texas) and 11.1 (California) credentials per 100 undergraduate FTEs, ranking them 47th and 48th, respectively.

Student Access & Success

	[Four-Year]						[Two-Year]					
	Grade	Percentage of Pell Grant Recipients	Retention Rate	Completion Rate	Completions per 100 FTE Students	Risk-Adjusted Completion Points (5-point Scale)	Grade	Percentage of Pell Grant Recipients	Retention Rate	Completion Rate	Completions Per 100 FTE Undergraduates	Risk-Adjusted Completion Points (5-point Scale)
Alabama	D	34.9	76.3	47.4	18.3	3	C	64.0	55.7	19.3	13.8	3
Alaska	F	27.2	72.4	27.3	11.7	1	F	12.9	37.7	16.9	6.3	2
Arizona	C	30.6	78.4	56.6	22.3	3	C	45.4	59.5	17.0	17.3	3
Arkansas	D	47.1	71.2	40.3	17.7	3	C	65.3	56.6	22.0	21.9	3
California	A	37.4	85.2	64.3	24.1	5	C	25.7	63.9	26.7	11.1	4
Colorado	D	25.9	75.4	51.6	19.1	2	C	45.2	55.6	22.3	15.3	3
Connecticut	B	20.8	83.2	58.2	23.2	3	F	42.7	58.6	10.6	13.9	1
Delaware	B	16.7	86.0	70.5	20.5	4	F	39.5	56.6	10.5	14.9	1
Florida	A	47.6	86.2	60.4	23.9	4	A	34.3	65.7	37.0	21.0	5
Georgia	C	38.5	79.9	51.0	18.1	3	B	70.4	54.8	22.0	17.6	4
Hawaii	D	30.7	75.5	46.5	21.7	2	D	28.7	62.2	14.8	16.1	2
Idaho	F	43.5	67.0	35.8	16.5	2	C	57.9	55.0	20.2	17.3	3
Illinois	A	30.9	80.4	60.5	24.1	4	D	40.6	59.6	19.9	14.2	3
Indiana	C	29.7	77.6	53.4	18.4	3	D	65.6	54.5	12.5	13.3	2
Iowa	B	21.3	84.0	67.9	20.6	4	B	53.6	56.1	33.0	19.2	5
Kansas	C	28.8	75.4	54.4	21.0	3	B	44.6	57.8	30.9	18.5	4
Kentucky	D	33.8	73.3	46.2	18.4	3	B	67.0	60.1	23.5	23.5	4
Louisiana	F	36.5	72.2	39.1	17.5	2	C	60.8	52.1	13.3	20.3	3
Maine	C	40.8	73.2	50.0	19.5	3	B	49.1	58.7	26.2	20.1	4
Maryland	B	26.0	81.4	60.3	22.0	3	D	38.2	61.6	13.4	15.2	2
Massachusetts	C	26.8	79.7	55.4	19.8	3	D	45.5	58.5	16.2	16.6	2
Michigan	B	29.5	81.2	60.3	20.3	4	C	60.9	60.2	14.7	15.8	2
Minnesota	C	27.0	78.6	55.3	19.6	3	B	47.2	57.5	27.3	21.0	4
Mississippi	B	46.7	76.5	50.7	19.3	4	B	70.3	59.8	24.9	17.1	4
Missouri	C	32.0	75.9	54.5	20.5	3	C	56.0	57.5	24.4	15.2	3
Montana	D	40.8	70.3	42.4	17.3	2	B	50.4	55.1	29.3	19.8	4
Nebraska	C	26.8	78.1	55.7	19.2	3	B	53.6	63.5	30.4	15.7	4
Nevada	F	24.7	76.2	43.6	18.7	1	F	31.6	62.1	12.0	9.7	1
New Hampshire	C	20.4	83.0	65.4	21.1	3	C	34.7	60.3	24.3	20.0	3
New Jersey	A	27.4	85.1	64.4	22.1	5	D	40.1	63.3	15.8	14.0	2
New Mexico	D	69.7	72.0	40.3	17.8	2	F	32.0	55.9	11.8	13.7	2
New York	B	41.8	82.9	57.2	20.9	4	C	52.6	63.1	20.8	18.3	3
North Carolina	B	32.8	81.9	58.9	19.6	4	C	56.4	60.6	20.0	13.4	3
North Dakota	D	25.2	75.9	48.2	18.0	2	A	41.5	67.9	38.3	30.1	5
Ohio	C	36.4	77.5	55.0	19.0	3	D	62.8	56.9	18.4	14.4	2
Oklahoma	C	35.9	71.4	46.5	20.9	3	C	45.0	54.5	26.6	18.5	3
Oregon	C	33.6	78.3	53.7	20.6	3	D	53.5	58.0	14.4	12.8	2
Pennsylvania	B	26.3	81.6	62.4	20.1	5	C	44.1	59.1	19.8	16.2	3
Rhode Island	C	25.9	78.7	56.0	19.0	3	F	35.5	61.2	9.4	12.9	1
South Carolina	B	30.7	78.3	60.0	19.7	4	D	64.1	52.7	11.3	14.2	2
South Dakota	D	38.2	73.7	46.6	16.6	2	A	48.7	69.0	58.1	28.1	5
Tennessee	D	37.8	73.4	46.0	18.4	3	B	61.0	60.0	31.6	17.4	3
Texas	C	39.0	74.8	47.9	22.1	3	D	42.9	58.2	11.9	12.5	2
Utah	D	35.2	73.0	47.4	19.0	1	B	32.2	57.0	36.2	21.6	4
Vermont	B	25.6	79.8	60.8	20.9	4	A	60.0	60.0	35.9	24.6	4
Virginia	A	21.4	85.9	68.1	21.1	4	D	41.4	61.7	17.3	14.1	2
Washington	A	33.7	84.2	68.7	24.9	5	B	59.0	59.2	26.3	18.2	4
West Virginia	D	39.4	72.1	46.9	16.8	3	C	57.2	51.1	18.5	18.0	3
Wisconsin	C	21.8	80.1	59.8	19.7	3	A	46.6	58.6	31.7	23.5	5
Wyoming	D	22.0	72.8	53.6	19.9	2	C	31.9	59.6	30.9	17.3	4
National Median		30.8	77.9	54.5	19.7			46.9	58.6	20.5	16.8	

Complete College America

In education, as in so many areas of public policy, the first step to tackling any problem effectively is to have on hand accurate and compelling information about the nature of the problem. The second is to have a credible action plan for overcoming those obstacles and effecting change. This is why so much good can be done by a research and advocacy group like Complete College America (CCA), which in a very short time has become a respected and effective player in the national movement to improve college access and success.

Founded in 2009 by former Indiana Commissioner of Higher Education Stan Jones, CCA is a nonprofit committed to increasing the number of Americans who obtain a postsecondary education credential and to closing the significant achievement gaps that persist by race, ethnicity, and class. In 2010, CCA began mobilizing. It obtained commitments from 30 governors in the newly formed Alliance of States to improve higher education attainment in their states by taking a set of specific, bold actions:

- Establishing annual state- and campus-specific degree and credential completion goals through 2020.
- Developing and implementing state- and campus-level action plans for meeting the state's college completion goals. Strategies for doing so include redesigning remediation programs, developing efficient pathways to credentials and degrees that meet workforce demands, and providing financial incentives to students and colleges to meet completion goals.
- Committing to transparency and accountability by developing common metrics for measuring and reporting progress; publicly reporting year one benchmark data and annual progress on college completion, progression, transfer, job placement and earnings, and cost and affordability measures; and disaggregating data by level and type of degree/credential, age, race, and income.

A year later, CCA unveiled its landmark report, *Time is the Enemy*, which was the first of its kind to analyze the postsecondary degree progress of all students—both full- and part-time—across 33 states. It revealed some hidden truths about postsecondary education and illuminated significant flaws in current policies. Among the report's findings:

- Seventy-five percent of all postsecondary students go to school part-time, and thus are hidden from most federal reporting requirements, which are based on outmoded full-time attendance patterns.
- Part-time students are less than half as likely to graduate as full-time students, even when given twice as much time as they need to complete their degree programs.
- There are sizeable achievement gaps between low-income, older, and minority students and their counterparts.
- Students frequently take far more credits than they need, including more than twice as many as are required to obtain a certificate.
- More than half of all associate's degree students and more than one-fifth of all bachelor's degree students require remedial (often called developmental) classes, which is a significant barrier to college completion.

The findings of *Time is the Enemy*, combined with CCA's work with the Alliance of States, quickly established the new group as an important force in higher education policy. None of the measures it advocates is a panacea, of course. But setting goals and measuring progress on these core indicators is imperative in laying the groundwork for progress. CCA has created a realistic, concrete approach to data-driven reform; every state would be wise to join its efforts.

States that are currently engaged with CCA are: Arkansas, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Nevada, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, and West Virginia.

Rationale and Methodology

The push to improve higher education performance has rubbed up against difficult fiscal realities at the state and federal levels. Colleges and universities are being asked to do more with less. As a result, productivity and cost-effectiveness have become the watchwords of higher education reform. Policymakers and researchers have begun to pay much more attention to what it actually costs to provide a postsecondary education.

Unfortunately, higher education finance data are ill-suited for this kind of analysis. Institutions report revenue and spending data to IPEDS in the aggregate. So while we know how much money a given institution received in state appropriations, we do not know how much of that money was dedicated to a particular function (undergraduate versus graduate education, for instance). The same goes for spending, which is reported in broad categories such as "instruction," "research," and "student services," among others. Within those categories, though, there is little way to tell how much money was spent on the various programs at an institution.

In recent years, however, enterprising researchers at the Delta Cost Project have created a useful measure of instructional costs that provides a much more realistic picture of how much money an institution actually spends on educating students, as opposed to research and administration. But even here, it is not possible to disaggregate spending on instruction and related expenses across graduate and undergraduate education.[1]

Given the sorry state of higher education finance data, this analysis relied on two measures of per-unit cost: education and related expenses per degree or certificate produced (institutional costs) and state and local funding per degree or certificate produced. We also examined how states do on both measures, and rewarded states that both kept their cost per completion low and provided a high return on public investment. We adjusted cost statistics to account for inflation and for regional differences in the cost of labor (for details, see the Technical Appendix at http://icw.uschamber.com/content/leaders-and-laggards-appendix.)[2]

Cost Per Completion. Learning how to do more with less requires a sense of how much an institution spends to produce a degree or certificate. Though it sounds like a simple task, colleges' methods for accounting for their costs makes this a difficult question to answer. We could not calculate how much it costs to deliver a credit hour and then multiply that by the number of credit hours necessary to finish a degree. Colleges do not even separate the money they spend on graduate education from the money they spend on undergraduate education, let alone provide course-level cost data.

In the absence of these finer-grained data, we used an aggregate cost per completion measure developed by the Delta Cost Project. Cost per completion is simply the total amount an institution spent on education and related expenses in a given year divided by the total number of credentials the institution produced in that year. Our cost per completion metric used the Delta Cost Project's estimates of education and related expenses for the most recent two years available (2008 and 2009, expressed in 2010 dollars). We divided the Delta Cost Project's estimates of education and related expenses by a weighted sum of completions, where credentials are weighted to reflect different program lengths and costs of delivery. For undergraduate credentials, we used the same weighting previously mentioned, where degrees are weighted according to how the normal time to completion compares to the reference category (AA degrees for two-year colleges count as one completion, and likewise for BA degrees at four-year colleges). For degrees above the baccalaureate, we weighted completions based on estimates of the cost of graduate instruction and the normal time to a graduate degree (for details, see the Technical Appendix). We recognize that this weighting system is far from perfect, but it is an even-handed approach in the absence of disaggregated cost data.

State, Local, and Tuition Funding Per Completion. Cost per degree measured how much it costs an institution to produce a degree. Education and related expenses represented a slice of an institution's total funding, which comes from various sources (state subsidies, federal grants, and tuition payments).

Another way to think about cost-effectiveness is to consider the return on the taxpayer investment in higher education—how much does it cost the state, in terms of appropriations and grants, to produce a degree at its public institutions? Policymakers and taxpayers have an interest in knowing that the state and local resources invested in higher education are being spent efficiently. If a state produces a large number of degrees or certificates with a

relatively low level of state investment, taxpayers are likely to see that as a good deal. States that invest much more to produce a similar number of credentials may not be as attractive from the taxpayer perspective.

Of course, states that invest less public money in higher education often make up this margin by charging higher tuition to students and families. We saw this pattern in many states across the country in the wake of the fiscal crisis, as institutions have responded to funding cuts with a considerable increase in tuition. In this case, the state may be no more efficient, but instead has shifted the cost from taxpayers to students. We recognize that states with lower public investment per degree may be no more efficient overall, but they may well be more efficient from the taxpayer perspective.

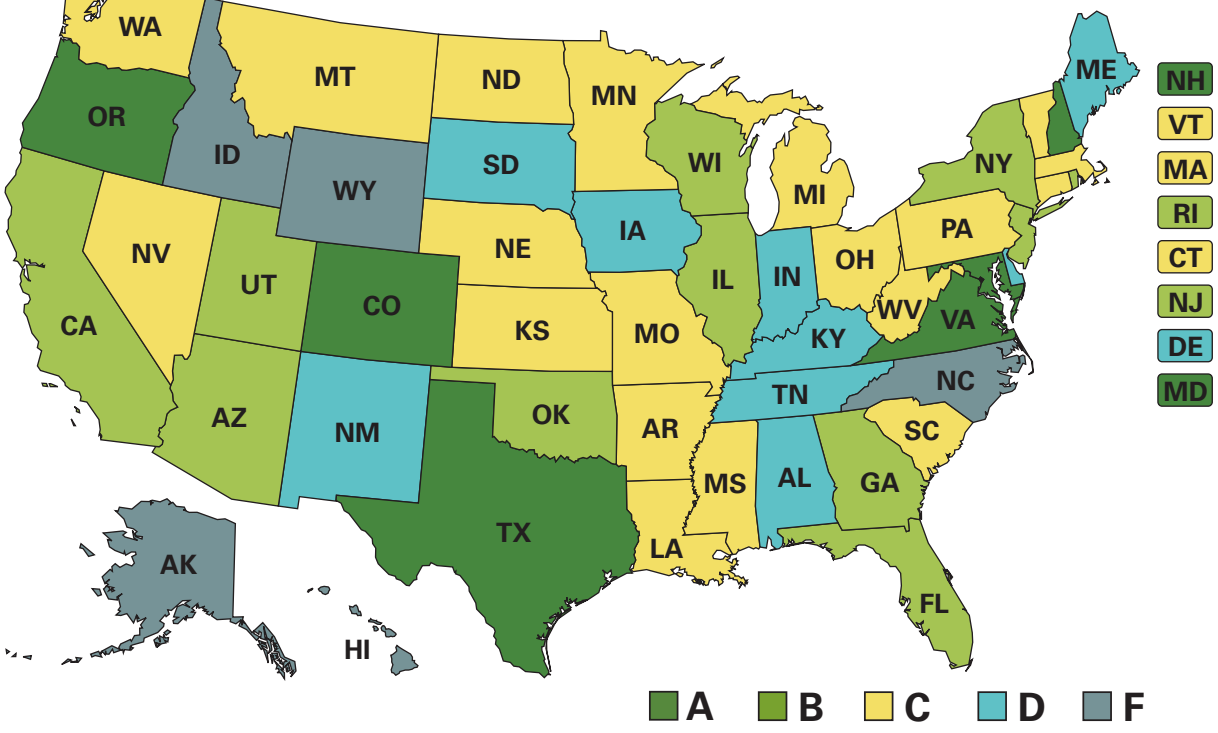
Policymakers and taxpayers should also know their level of return on state and local investments in the higher education system. Therefore, we calculated the state and local funding per credential by summing all state appropriations, local appropriations, state grants and contracts, and local grants and contracts, and then dividing by the weighted sum of degree and certificate completions.[3] We converted all funding amounts to 2010 dollars using the Consumer Price Index. Because states will look more efficient on this measure if they have high tuition costs (thereby shifting the burden to students and families), we also reported a measure that includes tuition revenue on top of state and local funds, but we did not include this measure in the aggregate grading.

Combined Measure: Cost Per Completion and Public Funding Per Completion. We also created a combined measure that was designed to reward states that were efficient on cost per completion and provided good return on the public investment. This measure rewarded states that were above the national average on both measures and penalized those who lagged behind on each.

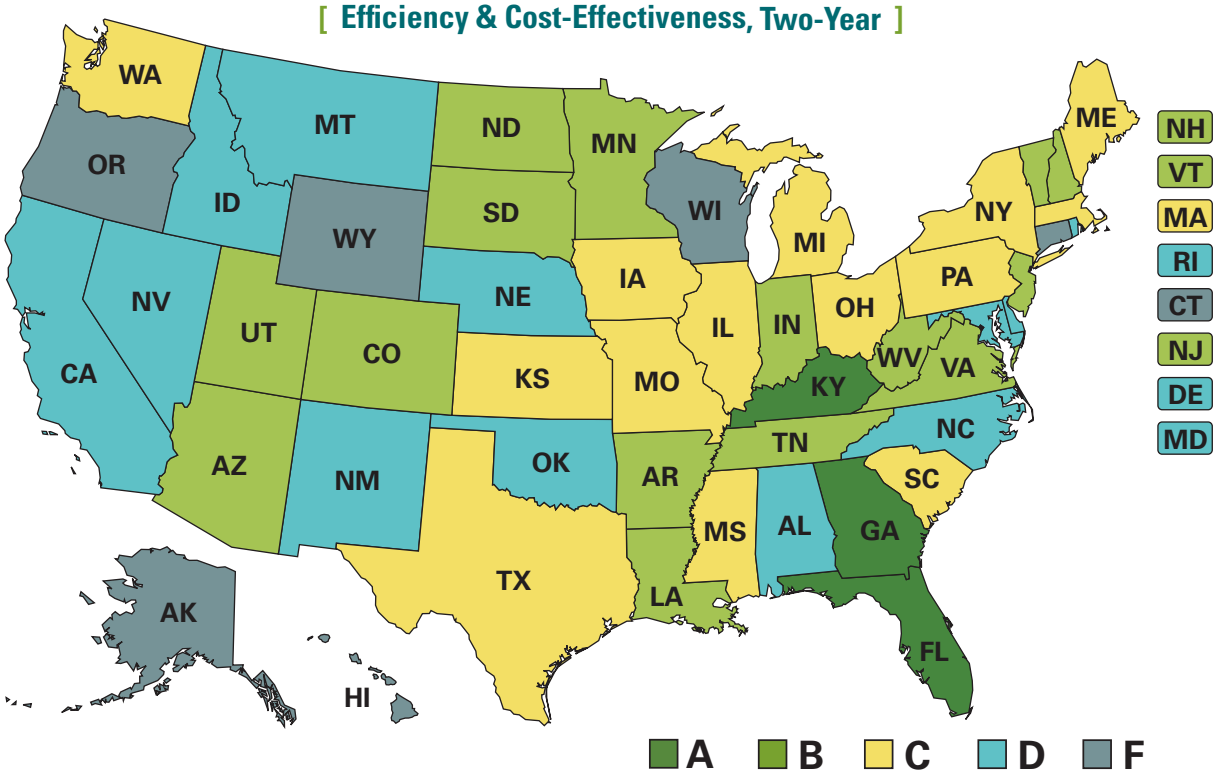
Findings

A small number of states stood out as leaders on efficiency and cost-effectiveness in both sectors of their public higher education systems. Colorado, Florida, Georgia, New Hampshire, and Virginia were among the top states. Virginia, Colorado, and New Hampshire earned A's

[Efficiency & Cost-Effectiveness, Four-Year]



[Efficiency & Cost-Effectiveness, Two-Year]



for the performance of their four-year colleges and a B's for the productivity of their two-year colleges. Florida and Georgia ranked among the top states at the two-year level, while the four-year systems in these states placed just below the top tier.

A handful of western states made up the majority of the laggards, with Alaska, Hawaii, and Wyoming receiving the lowest marks at both levels. Alaska's system stood out as exceptionally expensive, with cost per completion of over $142,000 at the four-year level and almost $270,000 at the two-year level. North Carolina and Idaho also received low marks, each receiving a D in one sector and an F in the other.

Also striking was the divergence in the performance of the two different sectors within the same state. Oregon's system of four-year colleges was among the most efficient, but its two-year colleges received the lowest grade. Maryland also did well at the four-year level and lagged far behind among two-year college systems. Kentucky received an A for the cost-effectiveness of its two-year colleges, but the state's four-year colleges lagged far behind most of its peers, earning the state a D on that measure.

Leaders & Laggards at a Glance

Four-Year Leaders:	**Colorado, Oregon, Texas, and Virginia**
Four-Year Laggards:	**Alaska, Hawaii, Idaho, and Wyoming**
Two-Year Leaders:	**Florida, Georgia, and Kentucky**
Two-Year Laggards:	**Alaska, Connecticut, Hawaii, Oregon, and Wyoming**

Detailed Findings

Cost Per Completion. At the four-year level, the national median cost per completion across all states was just over $68,000. Florida and Texas came in well below this mark, with costs per degree of less than $50,000. At $46,071 in education and related expenses for each degree produced at four-year colleges, Florida's cost per completion was

the lowest in the country. Oregon, Maryland, Georgia, and Virginia all came in at under $55,000.

Alaska ranked at the bottom; its four-year colleges spend more than $142,000 per completion. Vermont's cost per completion also came in over $100,000. Wyoming and Delaware rounded out the bottom four, with costs per completion of over $87,000.

At the two-year level, the national median cost per completion was somewhat lower ($57,200) though perhaps not as low as one might expect given the shorter program length. Because so many students leave community college without completing a credential, two-year colleges spend a lot of money on instruction that does not result in a completion. Five states—West Virginia, Kentucky, Florida, Georgia, and South Dakota—spent less than $40,000 per completion at the sub-baccalaureate level. Utah, North Dakota, and Arkansas rounded out the top eight with costs per completion of around $44,000.

Again, Alaska brought up the rear. In 2009, Alaska's lone non-tribal community college spent more than $4,000,000 in education and related expenses and produced 21 associate's degrees. Over the 2008 and 2009 period, Alaska's cost per completion at the sub-baccalaureate level was an astounding $268,000. Oregon, a leader at the four-year level, had a cost per completion of well over $90,000 at the two-year level.

State, Local, and Tuition Funding Per Completion. When it comes to state and local funding of higher education, the states varied considerably. Some states have traditionally footed most of the bill via state subsidies; others have much lower state investment and higher tuition. The following metric reflected this diversity: at the four-year level the median state and local funding per completion was about $41,200, but that ranged from $13,000 in Colorado to almost $130,000 in Alaska. At the two-year level the range was from $14,300 in Vermont to more than $226,000 in Alaska.

States with the lowest state and local funding per completion in their four-year colleges included Colorado, New Hampshire ($19,780), Vermont ($20,350), Oregon ($24,290), and Virginia ($27,385). States with the highest funding per completion were Alaska, Wyoming ($105,000), Hawaii ($85,250), and New Mexico ($82,650).

At the two-year level, Vermont and Colorado ($16,900) again had the lowest state and local funding per completion, followed by Kentucky ($19,540) and Georgia ($20,260). South Dakota ($21,830) and North Dakota ($21,880), which both had above average completion rates at the two-year level, also ranked well on this measure. Alaska again placed at the bottom, investing more than $226,000 in state and local funds per completion at their lone, non-tribal two-year college. Oregon ($66,250), Wisconsin ($57,070), and California ($56,250) also had high public funding per completion.

It is worth noting that some states seem to have made up for their low public investment per degree by bringing in more revenue in tuition. Indeed, the story for some states changed dramatically when we included tuition revenue in this measure of productivity. For instance, when tuition revenue was added on top of state and local funding, Vermont's funding per completion at its four-year colleges increased five-fold, going from $20,350 to $105,570, shifting its national ranking from 3rd to 47th. Florida, New York, and California moved in the opposite direction when tuition revenue was included. Florida ranked 26th on state and local funding per degree at the four-year level and 4th when tuition revenue was included; New York's ranking moved from 31st to 8th, and California's from 16th to 3rd.

Colorado stood out in that it ranked first on both measures at the four-year level, highlighting the efficiency of the system as a whole.

Combined Measure: Cost Per Completion and Public Funding Per Degree. Which states look efficient on both measures of cost-effectiveness? At the four-year level, Oregon, Virginia, Texas, and Maryland all had costs per completion and state and local funding per completion that were significantly less expensive than the national mean. Virginia and Oregon stood out as the most efficient four-year systems on both measures. At the two-year level, the Dakotas, Kentucky, Georgia, and Florida came in significantly below the national mean on both measures of cost-effectiveness. Not surprisingly, these two-year college systems also happen to produce a high number of credentials per FTE at the two-year level.

A Word of Caution

We want to be clear that our focus on efficiency is not a call to blindly slash higher education budgets in order

to lower the public investment per degree. States that lower public investments and hike tuition, but leave an otherwise inefficient system in place, will quickly realize that such a strategy is likely to detract from other state goals around education attainment. In particular, shifting the burden to students and families will work against efforts to enroll and graduate more low-income students. Likewise, spending less money may also lead to unacceptable declines in quality and credentials with little labor market value.

In short, while states must pay attention to the efficiency of their higher education systems, simply tinkering with the proportion of the bill that taxpayers and students pick up will do little to ensure that the system as a whole provides a high overall return on investment.

Efficiency & Cost-Effectiveness

	[Four-Year]					[Two-Year]				
	Grade	Cost Per Completion	State and Local Funding Per Completion	State, Local, and Tuition Funding Per Completion*	Cost Per Completion and Public Funding Combined Measure (5-point scale)	Grade	Cost Per Completion	State and Local Funding Per Completion	State, Local, and Tuition Funding Per Completion*	Cost Per Completion and Public Funding Combined Measure (5-point Scale)
Alabama	D	$77,113	$48,074	$84,936	2	D	$67,165	$40,956	$54,883	2
Alaska	F	$142,638	$129,046	$168,674	1	F	$268,186	$226,194	$262,265	1
Arizona	B	$59,752	$40,046	$74,149	4	B	$44,911	$39,805	$50,214	4
Arkansas	C	$60,301	$53,984	$82,006	3	B	$44,843	$30,981	$39,800	4
California	B	$62,112	$35,537	$57,253	4	D	$64,554	$56,248	$61,586	2
Colorado	A	$61,444	$13,042	$56,435	4	B	$47,679	$16,915	$42,817	4
Connecticut	C	$74,572	$51,412	$80,100	2	F	$80,674	$50,367	$69,470	1
Delaware	D	$94,654	$36,914	$93,488	2	D	$65,805	$48,885	$72,763	2
Florida	B	$46,071	$41,647	$57,763	4	A	$38,146	$21,115	$29,582	5
Georgia	B	$53,897	$40,748	$64,923	4	A	$39,540	$20,262	$31,342	5
Hawaii	F	$85,139	$85,249	$115,083	1	F	$77,267	$58,532	$76,139	1
Idaho	F	$76,169	$56,397	$89,564	1	D	$64,759	$49,915	$64,870	2
Illinois	B	$59,325	$30,328	$60,311	4	C	$46,480	$38,495	$51,338	3
Indiana	D	$85,833	$40,260	$89,807	2	B	$45,417	$27,439	$47,136	4
Iowa	D	$74,426	$53,718	$92,802	2	C	$53,755	$30,352	$44,906	3
Kansas	C	$66,330	$42,741	$75,723	3	C	$60,266	$45,526	$58,813	3
Kentucky	D	$71,675	$54,504	$89,592	2	A	$38,141	$19,538	$28,866	5
Louisiana	C	$69,951	$49,616	$74,082	3	B	$46,326	$23,971	$30,565	4
Maine	D	$78,549	$51,501	$93,131	2	C	$56,834	$31,934	$43,409	3
Maryland	A	$52,722	$30,848	$61,971	5	D	$69,910	$44,932	$65,424	2
Massachusetts	C	$65,047	$35,801	$69,012	3	C	$56,519	$29,448	$47,025	3
Michigan	C	$73,156	$29,362	$76,416	3	C	$57,585	$39,419	$55,520	3
Minnesota	C	$74,564	$48,082	$82,724	2	B	$48,507	$24,368	$41,472	4
Mississippi	C	$63,846	$45,999	$75,530	3	C	$59,418	$37,521	$45,961	3
Missouri	C	$64,242	$38,252	$70,628	3	C	$61,122	$36,610	$51,935	3
Montana	C	$71,840	$37,131	$82,034	3	D	$69,175	$43,152	$65,693	2
Nebraska	C	$62,804	$49,589	$78,206	3	D	$58,058	$47,598	$60,426	2
Nevada	C	$73,706	$47,495	$72,886	2	D	$76,483	$44,577	$63,095	2
New Hampshire	A	$63,070	$19,779	$64,419	4	B	$52,899	$22,134	$53,089	4
New Jersey	B	$59,649	$33,956	$67,153	4	B	$47,612	$24,032	$44,546	4
New Mexico	D	$65,177	$82,653	$102,270	2	D	$67,621	$61,433	$69,130	2
New York	B	$59,787	$44,152	$61,734	4	C	$52,896	$33,386	$46,759	3
North Carolina	F	$83,224	$65,107	$91,303	1	D	$62,533	$47,050	$54,157	2
North Dakota	C	$73,922	$43,349	$83,323	3	B	$44,390	$21,878	$36,954	5
Ohio	C	$74,765	$32,312	$77,448	3	C	$59,861	$35,141	$57,980	3
Oklahoma	B	$57,201	$44,670	$75,706	4	D	$63,382	$46,322	$57,244	2
Oregon	A	$52,632	$24,293	$58,758	5	F	$92,368	$66,252	$93,933	1
Pennsylvania	C	$73,306	$27,923	$77,814	3	C	$60,104	$28,266	$54,669	3
Rhode Island	B	$60,961	$27,786	$73,450	4	D	$68,264	$35,810	$59,516	2
South Carolina	C	$71,001	$36,114	$82,201	3	C	$62,844	$33,351	$53,732	3
South Dakota	D	$75,055	$42,968	$79,129	2	B	$39,925	$21,830	$40,828	5
Tennessee	D	$77,521	$52,500	$79,949	2	B	$50,239	$30,708	$44,013	3
Texas	A	$48,849	$30,318	$56,580	5	C	$54,502	$43,761	$56,263	3
Utah	B	$55,404	$39,199	$63,891	4	B	$43,709	$26,659	$41,673	4
Vermont	C	$106,356	$20,353	$105,567	3	B	$50,362	$14,307	$47,507	4
Virginia	A	$54,128	$27,385	$58,019	5	B	$46,825	$22,045	$37,826	4
Washington	C	$71,727	$34,447	$63,928	3	C	$49,398	$33,397	$44,493	3
West Virginia	C	$65,598	$42,870	$81,657	3	B	$37,028	$28,426	$37,796	4
Wisconsin	B	$63,146	$31,957	$63,338	4	F	$71,226	$57,071	$69,829	1
Wyoming	F	$87,899	$105,038	$123,640	1	F	$77,021	$67,200	$78,514	1
National Median		$68,140	$41,198	$76,932			$57,210	$35,476	$52,512	

*This indicator was not included in the aggregate grading.

Utah and Missouri

With states strapped for cash and demand for postsecondary education growing, policymakers and university leaders are under more pressure than ever to do more with less. They face the challenging task of improving academic productivity while also maintaining or improving education quality. In this environment, many states have had difficulty delivering cost-effective higher education. However, there are some bright spots, including Utah and Missouri, which have benefited from efforts led by the National Governors Association (NGA) to create better state-level performance measures for colleges and universities.

Public policy task forces have a well-deserved reputation for being long on rhetoric and short on action. But the NGA avoided this trap with its 2011 report *Complete to Compete: From Information to Action: Revamping Higher Education Accountability Systems.* Soon after the study was completed, the NGA selected six states—Colorado, Connecticut, Kentucky, Missouri, Nevada, and Utah—to participate in a newly launched "policy academy." To be selected by the NGA, each state had to show that its postsecondary accountability system included improved measures of efficiency and effectiveness. States also had to show that those measures would matter—that they would be factors in major policy decisions such as university budget allocations. The policy academy didn't leave states on their own to do these things; it worked with state liaisons to create action plans that drew on the strengths of the NGA staff and outside experts.

Utah has made good use of the policy academy, building on earlier efforts to create a model for cost-effective colleges and universities. In March 2012, the Utah System of Higher Education (USHE) held a Complete College Utah Academy, asking every institution in the state to create a plan to improve completion rates. USHE is also working with the Department of Workforce Services and the state's K–12 and technical college systems to align outcome metrics across the state. These efforts will lead to an annual report on Utah's workforce landscape, which is intended to inform legislators and the public about which jobs are projected to be in high demand and how postsecondary institutions can help meet the state's needs. At the system level, Utah's public institutions use common course numbering making it easier for students to transfer smoothly from one institution to another and to stay on track toward a degree without having to take the same course twice. As a result of initiatives like this, four- and two-year colleges now work together more closely and constructively.

Utah also promotes greater productivity in higher education by reaching out to secondary schools. High school students may enroll concurrently in either two- or four-year schools and apply any credits earned toward their college degrees, which means their time to degree is likely to be shorter. In another money-saving measure, Utah and Nevada share online journal licenses through the Utah Library Academic Consortium.

Not all of Utah's efficiency initiatives are perfect, but they are significant because for the most part they are long-term measures rather than quick fixes. The state is closely attuned to the importance of keeping track of the relationship between inputs and outputs in its postsecondary system. A case in point: In its 2011 *Efficiency of Higher Education in Utah* report, the Utah System of Higher Education included as a key efficiency metric total revenues per undergraduate credential, a measure that includes both state subsidy and student tuition.

In Missouri, where universities sustained a $50 million funding cut in 2011, boosting productivity has also become an imperative. Gov. Jay Nixon, who often cites the influence of the NGA and the Delta Cost Project, has called for giving greater weight to degree completions than to enrollment in funding the state's postsecondary system. In a similar vein, a state task force has called for an outcomes-funding model that would establish a distinctive performance measure for community colleges: the number of credit hours taught per $100,000 of state appropriations.

The measures being taken by Utah and Missouri, and by other states participating in the NGA initiative, are only some of many that deserve consideration. In a tough fiscal environment, with human capital needs that are greater than ever, the states need all the good ideas they can find for delivering better education outcomes at lower cost.

[Meeting Labor Market Demand]

Rationale and Methodology

Anybody trying to create a more productive higher education system must also keep a close eye on the quality of programs and the value of the credentials they produce. Churning out additional degrees and certificates may well be an illusory victory if increases in productivity come at the expense of program quality or rigor. Furthermore, if the additional credentials produced don't match up with employer demand, increases in attainment may not pay the expected dividends. Postsecondary credentials with little labor market value will produce neither the personal benefits (higher wages and social mobility) nor the positive externalities (higher tax revenues, a skilled workforce that is attractive to businesses) that states are keenly interested in.

The key questions, then, are whether postsecondary programs add meaningfully to their students' human capital, and whether the additional education equips graduates to get better jobs and earn higher wages.

As in most areas of higher education, measurement of these outcomes is difficult. There is no consistent way to measure value-added in student learning across campuses and states. National licensure exams and graduate school entrance assessments can sometimes provide suggestive evidence for program quality, but these data are difficult to come by and not always informative. Licensure exam results are often reported in the form of "ultimate passage rates," meaning that an individual can take the exam multiple times before the results are recorded in the overall passage rate. Little surprise, then, that many institutional passage rates cluster in the 95% to 100% range, with many institutions reporting a 100% passing rate on a given exam. As a result, it is often difficult to document variation across institutions or states on these measures.

Accurately assessing labor market outcomes is similarly challenging. While we know a lot about returns on degrees and certificates in the aggregate, we have much less information on how graduates from particular institutions or programs fare in the labor market. Some states are making great progress on this front. But in general, there are few systematic ways to measure the labor market outcomes of particular institutions or state systems of higher education.

In the absence of better data, we relied on wage, employment, and education attainment data collected by the U.S. Census in the American Community Survey (ACS). The ACS, first fielded in 2000, surveys approximately 3 million people per year and is the most reliable source of data for calculating state- and sub-state-level estimates of education attainment, income, and other demographic characteristics. We used the ACS data collected during the 2008–2010 period.[4]

We analyzed two basic metrics at each degree level, associate's and bachelor's. First, we examined the difference in median annual wages between postsecondary degree holders and those who graduated from high school but did not go on to college. Second, we observed the difference in unemployment rates between those with a postsecondary degree (AA or BA) and high school graduates. We rated states on these measures for two different age groups: the states' youngest workers, ages 25–34, and all workers ages 25–64.

While imperfect, these measures provide a sense of how much of a wage premium each type of degree commands across the states, as well as how well those degrees protect workers from being unemployed. It seems intuitive that if the labor market is flooded with low-quality degrees or degrees in disciplines that do not match up with employer needs, graduates will have a more difficult time finding a job that pays well. In a labor market where the production of skilled graduates matches up well with employer demand, we would expect that degree holders will be both more likely to be employed and able to command higher wages.

Because these gaps are measured in reference to the fortunes of high school graduates within the state, they do not simply reflect the strength or weakness of the state's economy.

It is important to note that, unlike the other metrics, these data cannot be used to directly assess the output of the public system of higher education in these states. We do not know where the individuals received their degrees, and some proportion of the survey respondents may have migrated into the state from somewhere else. However, in light of data limitations, these aggregate wage and employment data shed some light on structural mismatches between employer demands and postsecondary attainment within the state.

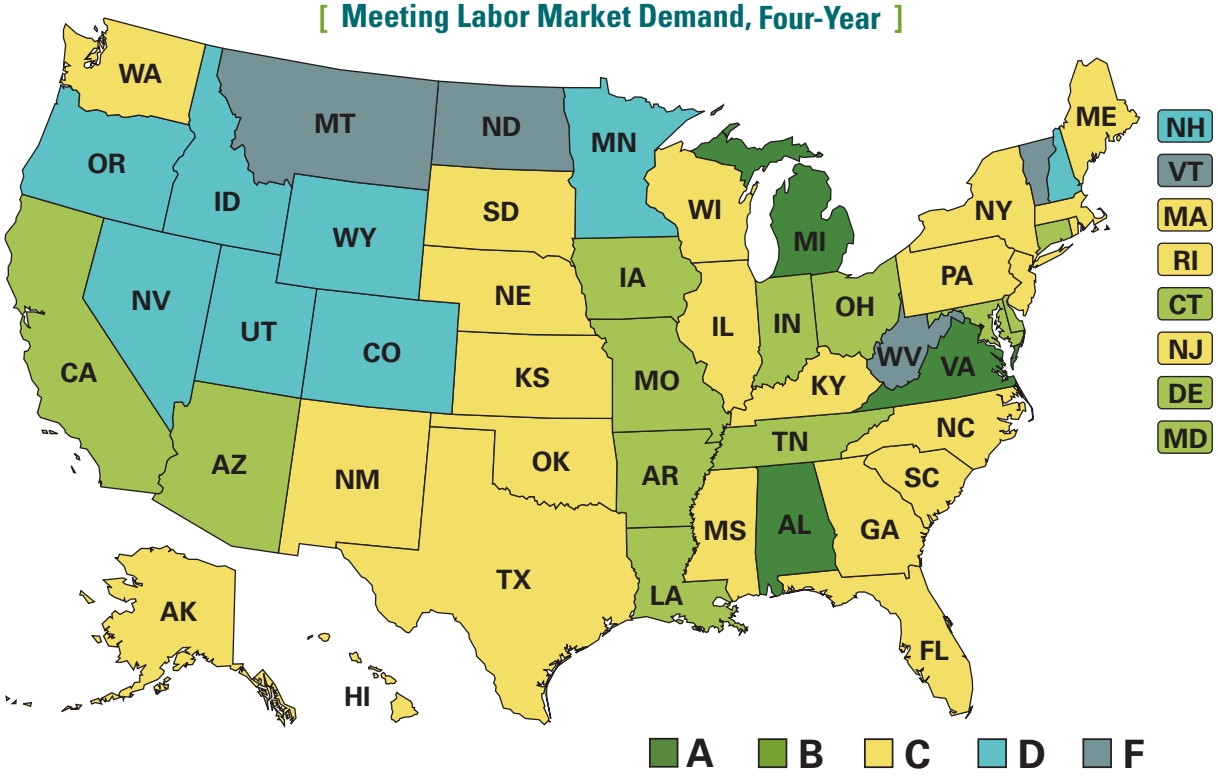
Median Wages of Degree Holders Compared With High School Graduates. To construct this measure, we identified all respondents to the ACS who held a bachelor's degree, associate's degree, and high school diploma or equivalent. We then calculated the median annual wage for each group, counting only workers with positive earnings who reported working 35 hours or more per week (members of the armed forces were excluded). We compared these medians among AA or BA holders with those of high school graduates for each age group mentioned previously. We rated states on the ratio of the median wage for degree holders to the median wage for high school graduates (we reported this ratio as a percent). Higher ratios indicate a larger payoff to having a postsecondary degree. We also reported the raw dollar figures.

Difference in Unemployment Rates Between Degree Holders and High School Graduates. We used the ACS items on labor force participation and employment status to calculate an unemployment rate at each level of attainment. The unemployment rate is simply the proportion of individuals who report that they are in the labor force but not currently at work (members of the armed forces were excluded). We calculated that rate for each level of attainment and measured how much more likely workers with a high school diploma are to be unemployed than those with a postsecondary degree. In order to avoid punishing states that have low unemployment across the board, we did not rate states on the raw gap in unemployment rates. Instead, we used the ratio of the unemployment rate among those with a high school diploma to the unemployment rate among those with each type of college degree. This ratio captures how much more likely a high school graduate is to be unemployed than a worker who has completed college. We also reported the gap in unemployment rates. We calculated these measures for each age group listed above, and awarded points to states on how well they ranked vis a vis the rest of the country.

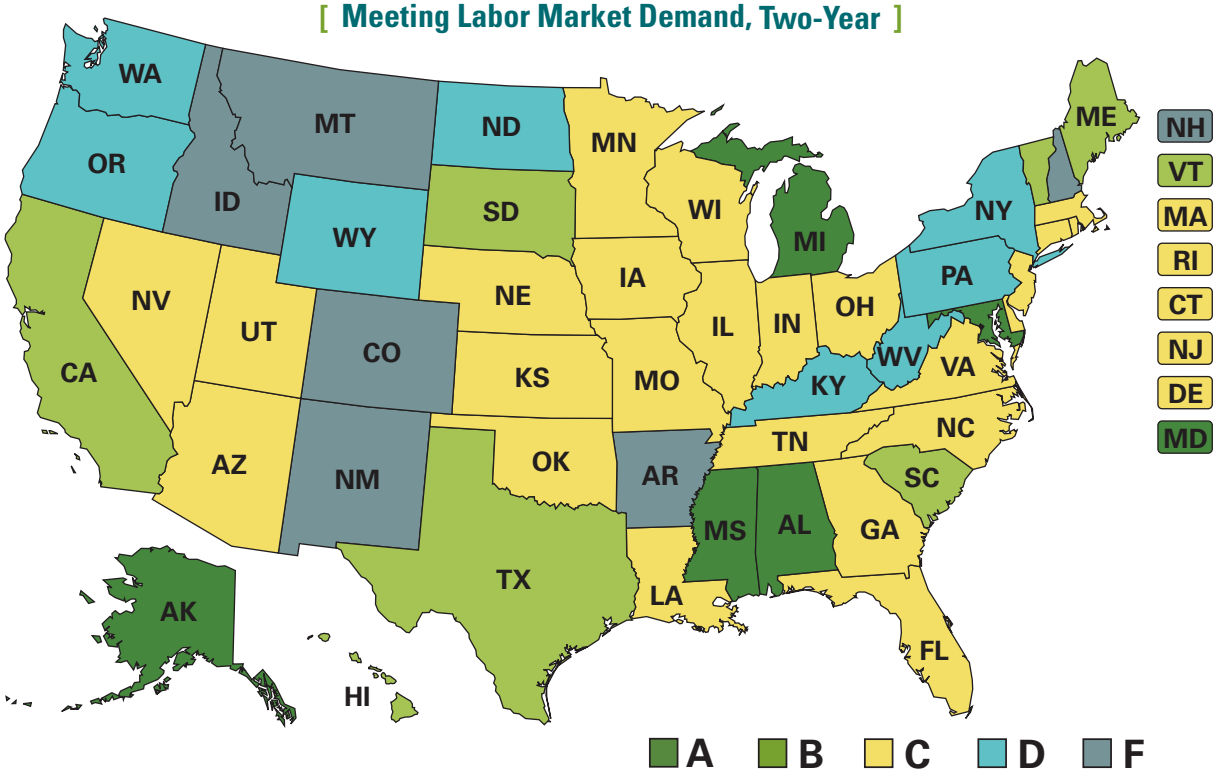
Findings

Michigan and Alabama were among the top-performing states in terms of how associate's and bachelor's degree holders fared in the labor market. Each of these states received an A rating at both levels. Workers between

[Meeting Labor Market Demand, Four-Year]



[Meeting Labor Market Demand, Two-Year]



the ages of 25 and 34 with an associate's degree in Michigan earned about $8,700 (or 34%) more than their peers with a high school diploma; in Alabama, those younger workers with a BA were considerably less likely to be unemployed (by 9%) than those with a high school diploma. Maryland also fares well, earning a B at the BA level and an A at the associate's level. California sits just outside the top tier at both levels.

The laggards included a number of western states, with Montana receiving the lowest marks in each postsecondary sector. Idaho, North Dakota, and Colorado each earned one D and one F on the two measures; New Hampshire and West Virginia also received low ratings. When it comes to median wages, the youngest associate's degree holders in Colorado and Idaho earned just 14% and 12% more than high school degree holders, respectively. Young bachelor's degree holders in North Dakota and Montana earned about 28–31% more than high school graduates, well below the average increase of 50% across all states.

At the associate's degree level, we found that Alaska's degree holders are fairly successful. According to our data, just 4% of all Alaskans with an AA degree reported unemployment. This may reflect, in part, the fact that the state's lone public community college produces few degrees each year, meaning that AA degrees are in high demand. Associate's degree holders also do well in Mississippi, where young high school graduates were 2.5 times as likely to be unemployed as those workers with an AA.

Leaders & Laggards at a Glance

Four-Year Leaders: Alabama, Michigan, and Virginia
Four-Year Laggards: Montana, North Dakota, Vermont, and West Virginia

Two-Year Leaders: Alabama, Alaska, Maryland, Michigan, and Mississippi
Two-Year Laggards: Arkansas, Colorado, Idaho, Montana, New Hampshire, and New Mexico

Detailed Findings

Median Wages of Degree Holders Compared With High School Graduates. According to the ACS data, at the national level associate's degree holders between

the ages of 25 and 64 who reported working more than 35 hours a week earned just over $9,000 more annually than those with a high school diploma or equivalent. The national wage gap between high school graduates and those with a bachelor's degree was more than double that, at $21,200. High school graduates nationally made over $31,400 in median annual income in the 2008–2010 period, while BA holders earned almost $53,000. The gaps were smaller for the youngest group of workers, but still substantial at $8,500 for AA holders and $16,500 for BA holders.

These national patterns varied considerably at the state level, with degree holders faring much better in some states than others. Across all workers, associate's degree holders in California, Maryland, Tennessee, and Vermont earned a median wage that was around 40% higher than the median wage among those with a high school diploma. California's AA holders did particularly well compared to their high school-educated peers.

Virginia, Michigan, Alabama, and Texas joined California to make up the top five when it comes to the size of the BA wage premium. In all five states, the median income for bachelor's degree holders was between $20,000 and $28,000 higher than the median income of those with only a high school diploma. Bachelor's degree holders in California and Virginia earned a median wage that was almost twice that of high school graduates (1.87 times as high).

Degree holders did not fare nearly as well in some of the western states, as previously highlighted. The median wage among associate's degree holders in Montana and Wyoming was only about 12% to 15% higher than the annual earnings of high school graduates. In addition, North and South Dakota, Nebraska, and Idaho all had median wage premiums below $6,000. These states also had some of the lowest wage premiums among BA holders; in Montana, North Dakota, and Wyoming, the median wage among bachelor's degree holders was less than 1.4 times the median wage among high school graduates.

Difference in Unemployment Rates Between Degree Holders and High School Graduates. Associate's degree holders in Mississippi, Alaska, and Alabama were much less likely to be unemployed than their peers with just a high school diploma. Having an associate's degree lowered an individual's unemployment rate, on average, by between four to six percentage points in those states. High school graduates in those states were almost twice as likely to be unemployed as those with an AA. The employment dividend for associate's degree holders of all ages was actually quite small in Montana, New York, and Oklahoma, where AA holders had unemployment rates that were less than one percentage point lower.

The BA provides even more insulation from unemployment. Bachelor's degree holders in Michigan and Alaska had unemployment rates that were between seven and eight percentage points lower than those with a high school degree. These workers were also much less likely to be unemployed than their high-school-educated peers in Iowa, Arkansas, and Louisiana.

Clearly, the payoff to having a degree remains high, even in states that are in the middle of the pack. But these labor market measures do raise important questions about the quality and supply of college-educated workers across the states that are worthy of further research. With better data on labor market outcomes, researchers and policymakers can get a much better grasp on the institutions, degree programs, and credentials that promise the largest payoff.

Meeting Labor Market Demand [Four-Year]

	Grade	BA vs. HS Wage Gap (Overall)	BA vs. HS Wage Ratio (Overall)	BA vs. HS Wage Gap (25–34)	BA vs. HS Wage Ratio (25–34)	BA vs. HS Unemployment Gap (Overall)	BA vs. HS Unemployment Ratio (Overall)	BA vs. HS Unemployment Gap (25–34)	BA vs. HS Unemployment Ratio (25–34)
Alabama	A	$20,024	169.6	$15,000	162.5	4.9	2.3	9.3	3.5
Alaska	C	$14,409	139.4	$10,989	134.7	7.1	3.6	7.8	2.9
Arizona	B	$20,328	166.7	$15,537	157.5	5.5	2.3	7.6	3.0
Arkansas	B	$15,705	156.1	$11,878	148.7	4.9	2.6	7.1	3.1
California	B	$28,459	187.5	$22,000	178.6	4.8	1.8	6.5	2.1
Colorado	D	$18,560	155.5	$11,590	139.5	3.2	1.8	5.6	2.5
Connecticut	B	$25,000	162.5	$20,255	166.7	5.1	2.2	10.5	3.7
Delaware	B	$19,648	157.7	$15,668	159.5	4.0	2.2	8.0	3.71
Florida	C	$17,439	161.1	$14,538	158.2	5.1	1.9	7.8	2.5
Georgia	C	$20,820	169.4	$16,180	163.9	4.5	1.9	7.0	2.3
Hawaii	C	$17,211	155.9	$11,711	140.7	4.7	2.4	7.9	3.2
Idaho	D	$15,557	151.2	$9,655	135.3	3.8	2.0	5.5	2.9
Illinois	C	$22,000	166.7	$18,393	167.3	5.1	2.0	7.7	2.6
Indiana	B	$16,787	152.5	$12,700	147.1	5.2	2.3	9.1	3.3
Iowa	B	$14,492	146.0	$11,278	141.2	3.2	2.7	5.7	4.0
Kansas	C	$18,122	159.4	$14,089	155.4	3.6	2.2	7.2	3.7
Kentucky	C	$17,255	158.5	$12,473	149.9	4.3	2.1	8.2	3.2
Louisiana	B	$15,708	151.5	$14,590	157.4	4.0	2.5	6.9	3.4
Maine	C	$14,508	147.6	$9,680	138.2	4.2	2.4	7.7	3.7
Maryland	B	$24,393	166.7	$18,230	160.0	4.0	2.1	7.4	2.8
Massachusetts	C	$21,000	153.8	$18,403	160.6	4.8	2.0	7.6	2.7
Michigan	A	$22,361	173.3	$15,246	160.0	7.8	2.3	13.1	3.3
Minnesota	D	$19,000	154.3	$15,000	150.0	3.1	1.9	5.0	2.6
Mississippi	C	$14,167	152.8	$11,448	147.7	4.4	2.1	7.4	2.6
Missouri	B	$16,371	153.9	$12,705	150.0	4.7	2.3	8.4	3.7
Montana	F	$10,616	134.9	$7,115	128.0	2.6	1.9	5.2	3.0
Nebraska	C	$15,191	150.0	$12,000	146.2	2.4	2.0	5.5	3.3
Nevada	D	$17,475	153.7	$10,272	133.8	5.0	1.8	6.1	2.1
New Hampshire	D	$19,000	152.8	$10,272	133.8	3.4	2.0	5.7	2.5
New Jersey	C	$26,000	168.4	$20,863	170.1	4.1	1.8	7.7	2.5
New Mexico	C	$16,262	155.2	$11,591	146.4	3.6	2.1	6.0	3.3
New York	C	$22,565	165.5	$21,642	176.3	1.5	1.3	4.5	1.8
North Carolina	C	$18,524	162.8	$14,000	156.0	5.5	2.2	8.2	2.8
North Dakota	F	$11,032	136.2	$8,557	131.2	1.1	1.6	-1.1	0.7
Ohio	B	$20,052	163.5	$14,230	153.8	5.3	2.3	9.4	3.5
Oklahoma	C	$14,200	149.3	$10,680	142.2	3.0	2.1	6.8	3.9
Oregon	D	$19,648	163.4	$12,655	146.3	4.5	1.8	5.8	2.0
Pennsylvania	C	$19,591	160.4	$14,377	152.1	3.4	1.8	7.2	2.7
Rhode Island	C	$21,000	160.0	$15,642	155.2	5.2	2.1	7.7	3.0
South Carolina	C	$16,669	157.3	$11,591	146.4	5.4	2.2	9.8	2.9
South Dakota	C	$11,642	141.1	$10,038	139.5	2.6	2.5	7.3	5.3
Tennessee	B	$18,397	164.9	$14,702	161.8	5.1	2.2	8.2	3.0
Texas	C	$20,820	169.4	$18,550	174.2	3.3	1.9	5.6	2.5
Utah	D	$17,591	154.3	$10,977	138.6	3.9	2.2	4.1	2.2
Vermont	F	$15,000	146.9	$9,115	131.0	2.4	1.8	4.6	2.8
Virginia	A	$28,000	187.5	$21,591	178.8	3.4	2.2	6.0	2.9
Washington	C	$23,426	165.9	$15,354	150.5	3.9	1.9	5.6	2.1
West Virginia	F	$12,689	142.3	$7,525	130.1	2.1	1.6	3.4	1.6
Wisconsin	C	$17,639	153.5	$12,153	142.9	3.9	2.2	6.6	3.1
Wyoming	D	$14,000	138.9	$7,979	123.1	2.1	2.4	3.4	3.1
National Median		$17,881	156.0	$12,703	149.9	4.0	2.1	7.1	2.9

Meeting Labor Market Demand [Two-Year]

	Grade	AA vs. HS Wage Gap (Overall)	AA vs. HS Wage Ratio (Overall)	AA vs. HS Wage Gap (25–34)	AA vs. HS Wage Ratio (25–34)	AA vs. HS Unemployment Gap (Overall)	AA vs. HS Unemployment Ratio (Overall)	AA vs. HS Unemployment Gap (25–34)	AA vs. HS Unemployment Ratio (25–34)
Alabama	A	$10,233	135.6	$7,900	132.9	4.0	1.9	8.1	2.6
Alaska	A	$9,409	125.7	$8,811	127.8	5.7	2.4	10.2	7.0
Arizona	C	$10,019	132.9	$7,000	125.9	3.5	1.6	4.9	1.8
Arkansas	F	$6,800	124.3	$2,951	112.1	2.2	1.4	2.8	1.4
California	B	$14,475	144.5	$9,473	133.8	3.3	1.5	4.2	1.5
Colorado	F	$7,216	121.6	$4,170	114.2	1.4	1.2	3.1	1.5
Connecticut	C	$8,889	122.2	$9,616	131.7	3.3	1.5	6.9	1.9
Delaware	C	$9,013	126.5	$9,116	134.6	2.1	1.4	4.5	1.7
Florida	C	$8,912	131.2	$7,000	128.0	3.2	1.4	4.9	1.6
Georgia	C	$9,499	131.7	$5,680	122.4	2.7	1.4	4.6	1.6
Hawaii	B	$9,867	132.0	$5,432	118.9	3.8	1.9	5.0	1.8
Idaho	F	$5,064	116.7	$3,147	111.5	2.3	1.4	1.0	1.1
Illinois	C	$9,000	127.3	$8,103	129.6	3.8	1.6	5.8	1.9
Indiana	C	$8,000	125.0	$8,634	132.1	3.5	1.6	6.9	2.1
Iowa	C	$6,492	120.6	$6,196	122.7	1.9	1.6	5.3	3.3
Kansas	C	$6,272	120.6	$6,590	125.9	2.9	1.8	6.2	2.7
Kentucky	D	$8,500	128.8	$6,000	124.0	2.2	1.4	3.5	1.4
Louisiana	C	$9,007	129.5	$5,480	121.6	3.0	1.8	6.0	2.6
Maine	B	$7,115	123.3	$8,221	132.5	3.2	1.8	6.6	2.6
Maryland	A	$14,048	138.4	$10,127	133.3	3.4	1.8	6.7	2.4
Massachusetts	C	$8,568	122.0	$7,616	125.1	3.6	1.6	5.6	1.9
Michigan	A	$10,164	133.3	$8,721	134.3	5.7	1.7	10.2	2.2
Minnesota	C	$7,000	120.0	$7,473	124.9	2.2	1.5	4.3	2.1
Mississippi	A	$8,167	130.4	$6,384	126.6	4.2	2.0	7.4	2.6
Missouri	C	$8,239	127.1	$6,590	125.9	2.9	1.6	5.5	1.9
Montana	F	$4,616	115.2	$6,590	125.9	0.2	1.0	1.8	1.3
Nebraska	C	$5,190	117.1	$5,396	120.8	2.1	1.8	5.0	2.7
Nevada	C	$9,475	129.1	$6,207	120.4	3.7	1.5	5.8	2.0
New Hampshire	F	$9,000	125.0	$4,616	115.2	2.1	1.4	3.2	1.5
New Jersey	C	$12,000	131.6	$10,224	134.3	2.5	1.4	4.6	1.6
New Mexico	F	$7,524	125.5	$5,384	121.5	1.2	1.2	1.0	1.1
New York	D	$8,565	124.9	$7,216	125.5	0.9	1.2	2.5	1.3
North Carolina	C	$8,524	128.9	$7,000	128.0	3.6	1.6	6.2	1.9
North Dakota	D	$5,968	119.6	$6,557	123.9	1.1	1.6	0.5	1.3
Ohio	C	$8,400	126.6	$7,725	129.2	3.6	1.6	7.3	2.3
Oklahoma	C	$7,791	127.1	$5,880	123.2	0.8	1.2	5.3	2.4
Oregon	D	$9,520	130.7	$5,180	118.9	1.7	1.2	3.0	1.3
Pennsylvania	D	$8,102	125.0	$5,941	121.5	2.2	1.4	4.8	1.7
Rhode Island	C	$7,689	122.0	$7,090	125.0	4.1	1.7	5.0	1.8
South Carolina	B	$9,046	131.1	$7,000	128.0	3.4	1.5	8.7	2.4
South Dakota	B	$5,642	119.9	$5,790	122.8	1.8	1.7	6.5	3.6
Tennessee	C	$10,265	136.2	$6,600	127.8	3.1	1.5	4.1	1.5
Texas	B	$10,656	135.5	$9,435	137.7	2.1	1.4	4.0	1.8
Utah	C	$8,102	125.0	$3,950	113.9	2.9	1.7	4.5	2.5
Vermont	B	$11,550	136.1	$6,629	122.6	1.7	1.5	3.3	1.8
Virginia	C	$10,537	132.9	$7,600	127.7	2.1	1.5	3.7	1.7
Washington	D	$9,148	125.7	$5,616	118.5	2.2	1.4	3.7	1.5
West Virginia	D	$7,574	125.2	$5,492	122.0	1.6	1.4	3.3	1.6
Wisconsin	C	$7,800	123.6	$7,090	125.00	2.8	1.6	5.4	2.3
Wyoming	D	$4,511	112.5	$890	102.6	0.7	1.3	3.4	3.0
National Median		$8,545	126.1	$6,595	125.0	2.7	1.5	4.9	1.8

Florida Education and Training Placement Information Program

University officials and lawmakers often talk about the importance of higher education to economic growth. But policymakers who seek to align decision making about postsecondary education with state economic goals frequently lack key information. Are degree and certificate programs equipping students with the skills they need to succeed in the workplace? Are credentials yielding the greatest possible benefit not only for individuals but also for employers and the state economy?

The only way to move beyond vague rhetoric about human capital and economic prosperity is to answer these questions with robust data. So far, that goal has proven elusive for most states. But Florida has successfully linked information about its postsecondary system to labor market outcomes, setting an important example for other states.

Florida's formidable data system dates back to 1988, when the state's workforce development agency, Workforce Florida, created the Florida Education and Training Placement Information Program (FETPIP). The new program did something distinctive: It assembled a privacy-protected, longitudinal data system that follows students through the K–12 system, into postsecondary education (for those who enroll), and then into the labor force. The result is a rich trove of information that can be mined by colleges, universities, and state leaders to better understand the connections between the subjects that students study, how successful they are academically, at which kinds of institutions, and what kinds of jobs they get, at what salaries.

FETPIP, which is now administered by the Florida Department of Education, creates its database by matching student records at Florida colleges and universities with unemployment insurance wage records and other data sets. This allows analysts to determine the employment rate and wages of certificate and degree completers. FETPIP is also used to identify the percentage of completers who obtain employment in an occupation related to the training and education they received. Florida disseminates FETPIP data to the public, summarized at the institution and program level, through a state website. In addition, state policymakers and higher education institutions use the data to inform programmatic and policy decisions.

This information system is part of the performance accountability process for all parts of Florida's K–20 system, providing indicators of student achievement, institutional success, and program shortcomings. It helps educators and parents better prepare and counsel students for success in their future education or career choices.

An important component of Florida's success is a culture of data sharing, which began as the result of legislative mandate but has evolved through careful nurturing of interagency relationships. Over time, colleges, universities, and other institutions have become comfortable providing data to a state agency that, in turn, gives them valuable reports and services. Florida's almost two decades of experience with student record data shows that this comprehensive information isn't valuable to just students, taxpayers, and policymakers. It also helps postsecondary institutions, which have a keen interest in understanding their own strengths and weaknesses compared with their peers. If more states follow Florida's lead, they are sure to realize these benefits as well.

[Transparency & Accountability]

Rationale and Methodology

A well-functioning higher education market requires transparent information on costs and outcomes. Consumers looking to invest time and money in a college education should have access to information about costs and quality that is consistent and comparable across institutions and programs of study. Citizens and public officials also need information on the performance of their state's higher education system in order to hold decision makers accountable.

At a minimum, transparency requires that institutions collect and publish basic data on degrees produced, graduation rates, and tuition costs. But a commitment to transparency should extend further, to include new performance measures such as student learning and student success in the labor market. Measuring these important outcomes can also help to ensure that we are rewarding campuses that produce credentials with labor market value, not just those that crank out more diplomas. Additionally, in this cost-conscious era, higher education systems need to be increasingly transparent about costs and efficiency. For all these performance measures, states should endeavor to go beyond simple reporting to document how their postsecondary results compare with past performance, state goals, and top-performing states and the nation as a whole.

In this category, we rewarded states that are making an effort to measure student outcomes beyond degree completion and those that proactively provide information to the public about the performance of institutions and the system as a whole. To evaluate each indicator, we contacted officials in every state to ask about their transparency policies. We then followed up by searching through each state's relevant higher education websites (whether run by a state higher education office, university system, or community college system). It is important to note that the policy environment in the states is fluid and constantly changing, making these metrics something of a moving target. In general, we focused on whether states had formally enacted and implemented these policies by mid-April 2012.[5]

Transparency: Public Accountability. We believe that higher education transparency has two distinct objectives. The first is to foster public accountability by providing stakeholders with information on the productivity, performance, and costs of the state's postsecondary system.

To translate this concept into a measurable metric, we collected data on whether a state had mechanisms to report information about higher education performance and outcomes. We first asked state higher education agencies to direct us to whatever publications, websites, or other resources the state uses to inform stakeholders about the higher education system. We also scoured each state's higher education website to locate these resources. Because many states have distinct governance structures for their four- and two-year colleges, we coded public accountability for four- and two-year institutions separately.[6]

We then scored states according to whether they report information on basic student outcomes such as graduation rates; whether the state reports additional outcome measures such as student learning or postgraduation success; and whether the state reports measures of institutional efficiency and cost-effectiveness. When it came to rewarding states that went beyond reporting graduation rates, we awarded points to those that provided information on a variety of outcomes, such as licensure passage rates, results from the National Survey of Student Engagement, and postgraduation employment rates drawn from alumni surveys.[7] In awarding points for states that report on efficiency, we gave credit for an array of measures, including costs per degree, savings from operational reforms, and graduates with excess credits, among others. It is important to note that reporting on efficiency is distinct from simply reporting on revenue and costs; the key was whether the state has identified efficiency per se as something to measure and report. States could earn one point for reporting graduation rates, two for reporting an additional outcome measure, three for reporting data on two or more additional outcomes, and an additional point for reporting measures of efficiency.

We also assessed whether the state benchmarked performance in a way that would allow the public to place the data in context and gauge progress. States that used external benchmarks such as the performance of other states or the nation as a whole received the highest marks, followed by those that compared progress to state-sanctioned goals and finally those that reported year-to-year performance. On the basis of these criteria, states were

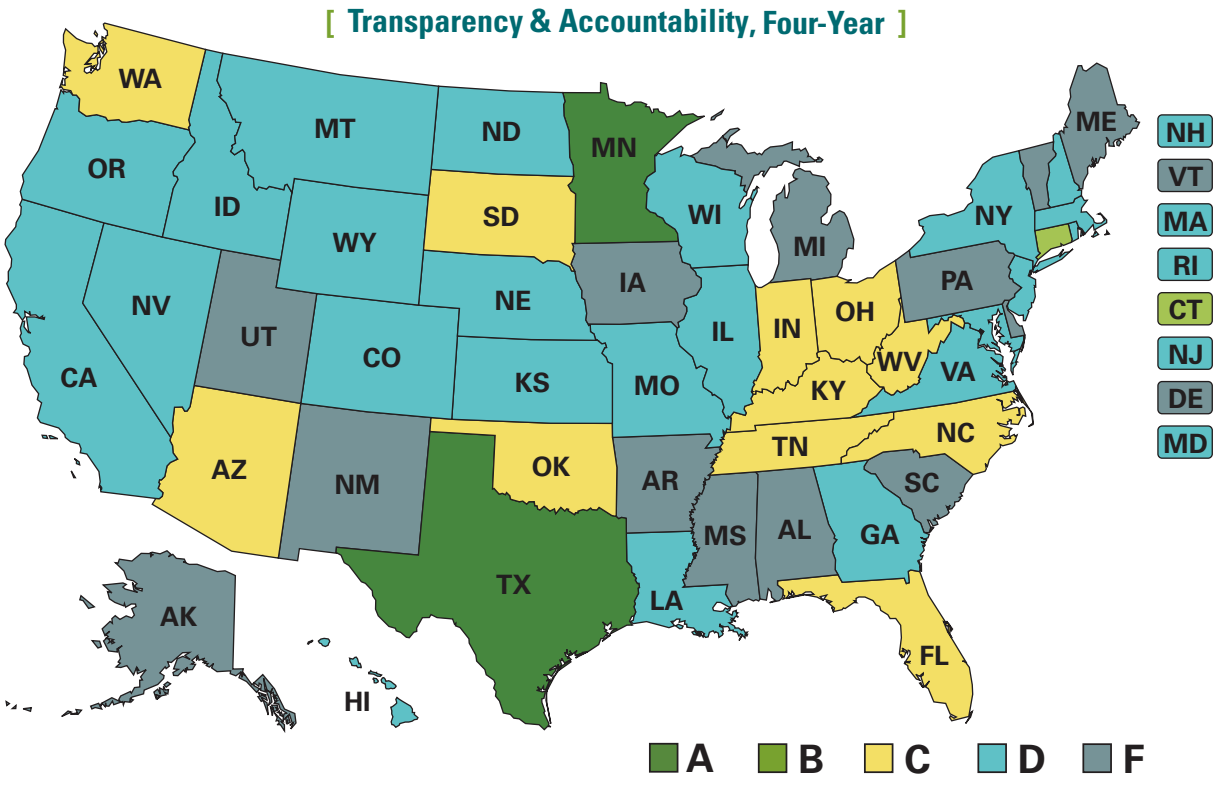
graded on a five-point scale at each level (four-year and two-year), with five points signifying the best possible score.

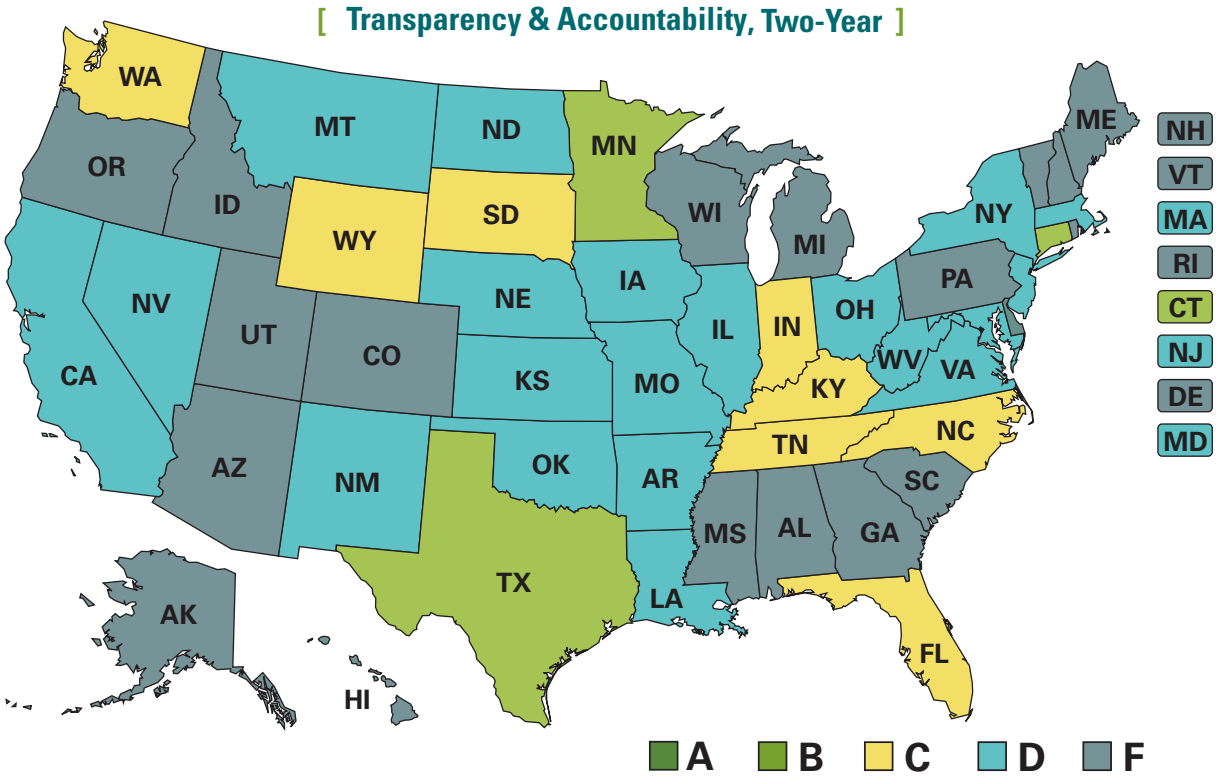
Transparency: Consumer Information. A second, distinct aim of transparency is to inform prospective students and families about the performance and costs of local colleges and universities. Providing consumers with better information can accomplish two goals. Individual students will have greater ability to make decisions that maximize their return on investment. At the same time, by voting with their pocketbooks, informed consumers can collectively unleash market forces that reward high-performing colleges and compel others to improve.

To score this indicator, we asked state officials whether the state had developed a mechanism to inform consumers about costs and outcomes at colleges and universities in the state. Participants were asked to include direct links to the website where these resources could be found. We were particularly interested in assessing what information was made available on student outcomes such as graduation rates, licensure passage rates, or labor market outcomes. We also rewarded states that included information about the net price of state institutions in their consumer information resources. These consumer information efforts were then graded on a three-point scale, with three points signifying the best possible score.

We believed it was important to distinguish between information that is made public in an annual report or policy brief and information that is proactively packaged and targeted to prospective students and families. To receive credit for targeting consumers, states had to place information where consumers might expect to find it—on a state website under headings such as "About Our System" or "Consumer Information," for example.

Linking Labor Market Outcomes to Postsecondary Programs. One of the primary purposes of higher education—though of course not the only purpose—is to train and prepare students for the workforce. Recognizing the enormous economic value of an educated citizenry, many policymakers have made a concerted push to develop longitudinal data systems to track student performance from K–12 schooling into higher education and then into the workforce.





This metric measured the extent to which states systematically tracked graduates of state postsecondary institutions into the labor market to measure employment outcomes. We made an important distinction between efforts on the part of institutions to survey recent graduates, which are relatively common, and programs that actually link so-called unit records for individual students across the postsecondary and employment data systems. While alumni surveys are useful, they suffer from serious flaws, including low response rates. We therefore focused our criteria on the latter approach. It is also important to note that we looked for states that had made these linkages and data public. Some other states may be linking postsecondary and labor market data, but unless they reported those data publicly we were not able to give them credit.[8]

We also examined how each state reported data—specifically whether it connected labor market outcomes to individual institutions and/or to particular programs or majors, and whether it also broke down data across both programs and institutions. In other words, we gave the highest marks to those states that provided information allowing consumers to examine how the returns to a given program of study vary across institutions. We graded four- and two-year systems separately. Using these criteria, we graded states on a four-point scale, with four points signifying the best possible score.

Measuring Student Learning Outcomes. Unlike in the K–12 world, where the standards and accountability movement has placed student learning center-stage, we have little sense of student learning outcomes in higher education. Some evidence suggests that there is ample reason for concern. In their influential book *Academically Adrift: Limited Learning on College Campuses*, sociologists Richard Arum and Josipa Roksa found that 45% of undergraduates had made no discernible learning gains on a standardized assessment between their freshman and sophomore years; 36% failed to do so across four years of college. Clearly, there is good reason for policymakers to pay more attention to how much students are really learning in college. Unfortunately, although a handful of national testing companies have developed postsecondary learning assessments, and some states actively use their own student assessments,

in general the measurement of undergraduate learning is spotty at best.

We looked at which states are leading the way on measuring learning outcomes in higher education, and which are lagging behind. To be clear, we did not grade states on whether they had implemented assessments as a requirement for graduation or whether they mandated a particular assessment. Instead, this indicator assessed whether the state measures student learning in a systematic way across higher education institutions. We awarded additional points if they used an assessment that was comparable across states and if they made the results public. Four- and two-year systems were graded separately on a three-point scale, with three points signifying the best possible score.

Findings

When it comes to transparency and public accountability, a handful of states stood out as leaders. Texas, with its comprehensive accountability system and in-depth web-based almanac of college performance, led the charge. On each metric, Texas excelled; it has made strides to measure student learning outcomes at the University of Texas system, has linked postsecondary and labor market data, and has developed mechanisms to inform the public and policymakers about higher education performance. Minnesota and Connecticut were also ahead of most states in their commitment to transparency and public accountability. Minnesota's annual report, *Minnesota Measures*, is an impressive compendium of data on many different aspects of performance, and its state university system uses an interactive dashboard to inform the public about the system's progress.

At the back of the pack, a handful of Southern states stood out for their lack of transparency and measurement. Alabama, Mississippi, and South Carolina have not developed the means to measure learning or labor market outcomes at the college level, and their consumer information efforts, to the extent they exist, did not fulfill any of our grading criteria.

In general, transparency was lacking in the majority of states. Information on key measures of postsecondary effectiveness was remarkably difficult to obtain. While a small number of top-performers were collecting new data on student outcomes and proactively informing the public about it, most of the country has a long way to go in fostering transparency and accountability.

Leaders & Laggards at a Glance

Four-Year Leaders:	**Connecticut, Minnesota, and Texas**
Four-Year Laggards:	**Alabama, Delaware, and Mississippi**
Two-Year Leaders:	**Connecticut, Minnesota, and Texas**
Two-Year Laggards:	**Arizona, Maine, and New Hampshire**

Detailed Findings

Transparency: Public Accountability. We found considerable variation across the country in public reporting on the performance and productivity of state higher education systems. The vast majority of states publicly report on student outcomes such as graduation and retention rates. This is encouraging. However, most states limit this reporting to basic outcomes like degrees produced, completion rates, and information on revenue and spending.

Other states went far beyond this minimal level, reporting on student outcomes such as licensure exam results or postgraduation employment rates. At the four-year level, we found that 23 states reported data on student learning, engagement, or success on licensure exams. Twenty-three states reported labor market outcome data in some form (from either longitudinal data systems or alumni surveys). Eleven states reported some measures of both student learning and labor market outcomes. By contrast, states such as Alabama, Mississippi, and Rhode Island provided little information on student outcomes.

Just over half of the states (27) reported specific measures of efficiency and cost-effectiveness. States such as Illinois and Indiana have made it a priority to reduce the cost per degree, while Wisconsin, Washington state, and Texas have sought to reduce the number of excess credits that graduates have at graduation.

Reporting on two-year college performance was somewhat spottier. We were unable to find a public resource that provided information on student outcomes like retention or completion rates at two-year colleges

in three states (Arizona, Maine, and New Hampshire). Twenty-two states provided information on student learning or licensure outcomes, and 25 reported labor market outcomes in some form. Fourteen states reported both types of data. California, Iowa, Maryland, and Texas stood out for their extremely detailed and comprehensive reports on the performance of their community colleges. Almost every state provided some kind of benchmark to place performance in context; the majority of states did more than simply provide year-over-year changes. Twenty-six states benchmarked their performance to external sources: national, state, or peer institution averages. Twelve more compared their performance in a given year with specific targets or goals set by state leaders.

A few states used multiple benchmarks, providing stakeholders with a sense of whether the state was improving over time and reaching state-sanctioned goals, and how this level of performance compared with other states or the nation as a whole. Accountability reports from the university systems in Oregon, Wisconsin, and North Carolina all provided data benchmarked to past performance, state goals, and performance in other states or at the national level. Indiana's statewide report, *Reaching Higher*, also used all three benchmarks. It is important to note that a handful of states that had excellent reporting mechanisms in the past have ceased producing those resources in recent years. We considered resources from before 2008 to be out of date.

Transparency: Consumer Information. The results for consumer information were discouraging. We found that while many states have developed glossy websites or guidebooks designed to help prospective students with college choice, the majority of these resources included no information on student outcomes. Few states included completion rates in their consumer information resources, despite the fact that these data are regularly reported to the state as part of state accountability policies. Almost no states included information on learning or labor market outcomes in their consumer resources. Only 27 states earned any points on our consumer information scoring criteria. It was particularly difficult to find quality consumer information resources for community colleges; 37 states did not fulfill any of our criteria for community colleges.

Connecticut, Texas, Minnesota, and Washington state stood out as consumer-information leaders. Washington and Minnesota have developed excellent career guidance resources that include detailed information on postsecondary programs. Washington state's "Career Bridge" initiative allows prospective students to compare student outcomes for different degree or certificate programs (see spotlight on page 41). Minnesota's iSeek program provides a similar set of data. These websites are tailored to students in search of occupational programs, but they included data from four-year colleges as well.

These resources are a step in the right direction, but states must also recognize that all students—not only those in search of occupational programs—need better information on student outcomes at the colleges and universities in their state.

Linking Labor Market Outcomes to Postsecondary Programs. Despite all of the action around state longitudinal data systems, we found that just 22 states made any attempt to measure labor market outcomes for their public institutions. Even fewer—a mere 12 states—connected student success in the labor market to individual institutions and/or individual programs or majors.

Connecticut boasts one of the better state efforts to measure labor market outcomes. The Connecticut Department of Education, in conjunction with the Connecticut Department of Labor, has produced a series of reports titled *Building Connecticut's Workforce.* The most recent iteration (in 2010) looked at what percentage of graduates from the 18 public colleges during the 2007–2008 school year are employed in Connecticut, including by program of study. Texas's Automated Student and Adult Learning Follow-Up System allows users to generate outcome reports for each public university and community college, as well as some private and out-of-state colleges. The reports detail employment outcomes for all graduates of the institution as well as for graduates of particular programs. These efforts are promising, though too few states have launched similar initiatives.

Measuring Student Learning Outcomes. Even fewer states measured student learning in a systematic and comparable way. Many states simply leave it up to their institutions to decide, on a voluntary basis, if they will participate in national learning assessments; unsurprisingly, most do not. Moreover, the majority of states did not engage in their own efforts to measure

student learning. Indeed, if the number of states that systematically measured student performance in the labor market was small, the number that attempt to do so for student learning outcomes is tiny. Only 13 states made any attempt to measure student learning across campuses, nine did so using a national test, and just four used a national test and clearly made the results public. Even among the four, approaches varied. South Dakota, for example, has a specific policy requiring all degree-seeking students to meet satisfactory performance requirements on the Collegiate Assessment of Academic Proficiency. In Tennessee, the state's institutional funding model is based in part on learning outcomes, specifically on how the average institutional score compares with the national average for a given assessment. However, institutions are allowed to choose from several national tests to assess their progress, and they can apply for a waiver to test only a representative sample of their student body.

To reiterate, we are not suggesting that states should use assessments of student learning to reward or sanction campuses or as a graduation requirement. Instead, we encourage states to measure these outcomes and make the results public so that consumers and taxpayers can assess for themselves the likely return on their higher education investments.

Transparency & Accountability

	[Four-Year]							[Two-Year]					
	Grade	Public Accountability (5-point Scale)	Consumer Information (3-point Scale)	Labor Market Outcomes Reported?	Labor Market Outcomes (4-point Scale)	Student Learning Outcomes Reported?	Student Learning Outcomes (3-point Scale)	Grade	Public Accountability (5-point Scale)	Consumer Information (3-point Scale)	Labor Market Outcomes Reported?	Labor Market Outcomes (4-point Scale)	Student Learning Outcomes Reported?	Student Learning Outcomes (3-point Scale)
Alabama	F	1	0	No	0	No	0	F	2	0	No	0	No	0
Alaska	F	1.5	1	No	0	No	0	F	1.5	1	No	0	No	0
Arizona	C	3.5	0	Yes	4	No	0	F	0	0	No	0	No	0
Arkansas	F	2	0	Yes	1	No	0	D	3	0	Yes	1	No	0
California	D	2	2	No	0	No	0	D	3	2	Yes	1	No	0
Colorado	D	3	1	No	0	No	0	F	3	0	No	0	No	0
Connecticut	B	4.5	3	Yes	4	No	0	B	4.5	2	Yes	4	No	0
Delaware	F	2	0	No	0	No	0	F	2	0	No	0	No	0
Florida	C	5	0	Yes	4	No	0	C	4	0	Yes	4	No	0
Georgia	D	3	1	No	0	Yes	1	F	2	0	No	0	Yes	1
Hawaii	D	4	0	No	0	No	0	F	3.5	0	No	0	No	0
Idaho	D	3.5	1	No	0	No	0	F	2	0	No	0	No	0
Illinois	D	3	1	No	0	No	0	D	4	0	Yes	1	No	0
Indiana	C	4	2	Yes	1	No	0	C	5	2	Yes	1	No	0
Iowa	F	3.5	0	No	0	No	0	D	3	0	Yes	1	No	0
Kansas	D	4	0	No	0	No	0	D	4	0	No	0	No	0
Kentucky	C	3.5	1	No	0	Yes	2	C	3.5	1	No	0	Yes	2
Louisiana	D	3.5	0	Yes	2	No	0	D	2.5	0	Yes	2	No	0
Maine	F	3.5	0	No	0	No	0	F	0	0	No	0	No	0
Maryland	D	4.5	0	No	0	No	0	D	4.5	0	No	0	No	0
Massachusetts	D	4	1	No	0	No	0	D	3.5	1	No	0	No	0
Michigan	F	2	0	No	0	No	0	F	1	0	No	0	No	0
Minnesota	A	4	2	Yes	3	Yes	3	B	4	2	Yes	3	Yes	2
Mississippi	F	1	0	No	0	No	0	F	1	0	No	0	No	0
Missouri	D	3.5	0	No	0	Yes	2	D	2.5	0	No	0	Yes	2
Montana	D	4	0	Yes	1	No	0	D	4	0	Yes	1	No	0
Nebraska	D	3	0	Yes	2	No	0	D	3	0	Yes	3	No	0
Nevada	D	3	0	Yes	1	No	0	D	3	0	Yes	1	No	0
New Hampshire	D	5	0	No	0	No	0	F	0	0	No	0	No	0
New Jersey	D	1	2	No	0	No	0	D	1	2	No	0	No	0
New Mexico	F	2	0	No	0	Yes	1	D	2.5	0	No	0	Yes	1
New York	D	2.5	2	No	0	Yes	1	D	1.5	2	No	0	Yes	1
North Carolina	C	3	2	Yes	3	No	0	C	3.5	2	Yes	3	No	0
North Dakota	D	4	0	Yes	2	No	0	D	4	0	Yes	2	No	0
Ohio	C	3	2	Yes	2	No	0	D	2	0	Yes	3	No	0
Oklahoma	C	3	1	Yes	2	Yes	2	D	2	0	Yes	2	Yes	2
Oregon	D	4	1	No	0	No	0	F	2	0	No	0	No	0
Pennsylvania	F	2	1	No	0	No	0	F	2.5	0	No	0	No	0
Rhode Island	D	3	1	No	0	No	0	F	2	0	No	0	No	0
South Carolina	F	3	0	No	0	No	0	F	3	0	No	0	No	0
South Dakota	C	4	0	Yes	1	Yes	3	C	3.5	0	Yes	1	Yes	3
Tennessee	C	3	1	Yes	1	Yes	2	C	3	0	Yes	2	Yes	2
Texas	A	5	3	Yes	4	Yes	3	B	5	3	Yes	4	No	0
Utah	F	2	1	No	0	No	0	F	2	0	No	0	No	0
Vermont	F	2	1	No	0	No	0	F	2	1	No	0	No	0
Virginia	D	2.5	1	No	0	Yes	1	D	2.5	0	No	0	Yes	1
Washington	C	3	2	Yes	3	No	0	C	4	2	Yes	3	No	0
West Virginia	C	4	1	Yes	1	Yes	2	D	3	0	Yes	1	No	0
Wisconsin	D	4	2	No	0	No	0	F	3	0	No	0	No	0
Wyoming	D	2	0	No	0	Yes	3	C	4	0	No	0	Yes	3

TRANSPARENCY & ACCOUNTABILITY SPOTLIGHT

Minnesota, Texas, and Washington state

The data collected in these pages send a clear and often disheartening message: In too many parts of the country, prospective students, parents, taxpayers, and policymakers simply aren't getting the information they need to make informed decisions on college selection and higher education policies. The problem isn't necessarily that information about vital outcomes such as graduation rates and job placement is unavailable. But it's often hard to find and understand, buried in labyrinthine state websites and presented in a form only statisticians could love.

This generally poor performance on transparency and accountability is not inevitable, however. Several states do a commendable job of informing consumers and the broader public in useful, easy-to-understand form, about everything from how prepared students are for college to average salaries for graduates of particular programs. Their efforts provide a valuable road map that other states would be wise to follow.

Minnesota, in particular, sets a model for the nation because of its wide-ranging efforts to collect and make publicly available clear, high-quality postsecondary education data. For prospective students and parents, the state's Office of Higher Education publishes a comprehensive yearly guidebook, *Choosing a College*, which provides information on both four- and two-year colleges. The easy-to-read guide shows not only up-to-date graduation rates but also data on two-year transfer rates, retention, and the percent of first-year students receiving financial aid. The guidebook is available on the Internet and in printed form at no charge.

The North Star State also compiles *Minnesota Measures*, a data-rich annual report on the performance of its colleges and universities. This ambitious publication is geared toward public accountability rather than consumers, showing lawmakers and taxpayers how well the postsecondary system is functioning at every stage. It provides data capturing students' experience before, during, and after college, including academic readiness, subjects studied, learning and engagement on campus, professional licensure and certification passage rates, and debt loads and default rates. The report is particularly useful because it provides year-to-year and state-by-state comparisons for context. It also goes beyond raw numbers to emphasize why the indicators matter and how postsecondary education affects the state.

While most states don't come close to matching what Minnesota is doing, several others have made commendable efforts to bring information to the public. In Texas, for example, the state's Higher Education Coordinating Board offers a set of customizable "Online Institutional Resumes" that can be tailored for use by policymakers or by would-be students and their families. Users can pick the kind of institution that interests them—two-year college, health care-related focus, or research university—then generate a report from a drop-down menu. For example, a prospective student who opens the site, selects "two-year institution," picks a specific community college, then selects the option "Prospective Students, Parents, and the Public," would receive a simple one-page report showing measures such as the percentage of graduates from the previous fiscal year who were employed or enrolled in four-year institutions the following fall.

Ordinary citizens are also keenly interested in exactly what sort of employment prospects, including average salary, they should expect after completing a particular education or training program. To meet this need, Washington state has created Washington Career Bridge, an impressive web tool available through the state government website. Residents choose a career or training program, such as accounting, computer programming, or nursing, then see a list of institutions, generated from a comprehensive state database, that provide certificates or degrees in that field. The prospective student can then pick a particular institution and see key data: program length, number of annual job openings for a particular occupation, median yearly or hourly earnings, and number of graduates who report being employed after completing the program.

The Washington database isn't flawless—some programs have too few graduates to provide enough information for analysis. But for new college students and for working adults seeking additional training, it provides valuable information about the link between postsecondary education and the workforce. Like the Minnesota and Texas efforts at transparency and accountability, the Washington state model shows that a user-friendly approach to education data can do a lot to meet citizens' needs.

[Policy Environment]

Rationale and Methodology

Promoting transparency and measuring student success in new ways can push institutions to improve and give students the tools they need to make smart higher education investments. But states can also do more, by enacting broad policies that foster student success and encourage postsecondary productivity. Together, state leadership and a thriving higher education market can promote real improvement. For this section, we explored three components of the state policy environment. First and foremost, states have the ability to set performance goals for the higher education system and individual colleges and universities, to hold those institutions accountable when they do not reach those targets, and to identify areas in which the system is achieving its mission and those where it might be falling short.

Second, states have the power of the purse. State colleges and universities rely on state subsidies to operate, and these monies are typically awarded on the basis of student enrollment. Funding on the basis of enrollment provides incentive to make sure students walk in the door every fall, but less incentive to focus on how quickly students cross the finish line. In an encouraging development, some states have begun to tie a portion of this funding to student outcomes like course and degree completion.

Finally, state leaders can also act to remove barriers that may prevent students from making progress in their path toward a degree. In particular, states can work to ensure that students can move credits from one public campus to another, thereby encouraging transfers and protecting against lost time and money.

By no means do these three components encompass the full extent of strategies at a state's disposal. However, we believe that leadership in these three areas is indicative of a broader commitment to promoting degree completion and the responsible stewardship of public money. To that end, we graded states on the nature of their goals for the higher education system, whether they fund institutions on the basis of student outcomes, and whether they have a statewide articulation policy that facilitates the transfer of credit.

As with the "Transparency & Accountability" area, to evaluate each indicator we searched each state's higher education websites, as well as those of university and community college systems. For outcomes-based funding, we also contacted higher education officials in each state.

State Goals for Higher Education. In an effort to determine which states were making a concerted and public effort to craft thoughtful policies, particularly surrounding efficiency and cost-effectiveness, this indicator examined state goals for their higher education systems. To score this metric, we searched for each state's higher education plan, strategic vision, or list of goals and priorities. A state was given a point if their plan had a goal that focused on outputs and an additional point if the plan's goals had a concrete target (e.g., to achieve an attainment rate of 60% by 2025). In many cases, a state had a plan that covered both four- and two-year systems; if not, we searched for additional plans covering each system. Finally, each state could earn additional points if their plans included student outcomes beyond graduation rates (such as student learning outcomes or labor market outcomes) and measures of efficiency (such as cost per degree). Using these criteria, we rated states on a six-point scale, with six points signifying the best possible score.

Outcomes-Based Funding. One popular effort to encourage postsecondary productivity is to shift from funding an institution based solely on enrollment (e.g., the number of students or credit hours enrolled) to a formula that includes some student outcomes like course or degree completion. To score this indicator, we asked state leaders whether their state had implemented an outcomes-based funding (OBF) system and searched state legislative and regulatory records to analyze the details of the program itself. For states that had such a system, we awarded additional points on the basis of two criteria. First, was the OBF a component of an institution's base funding, or was it a bonus that institutions could win on top of their base funding? Second, did the policy include safeguards that encouraged institutions to continue to enroll traditionally underrepresented students? Four- and two-year systems were graded separately. OBF systems were rated on a three-point scale, with three points signifying the best possible score.

Credit Transfer and Articulation. A third way to encourage postsecondary efficiency is to facilitate the transfer of credit between institutions. Somewhere between one-third and half of students obtain credits from more than one institution during their college careers. This

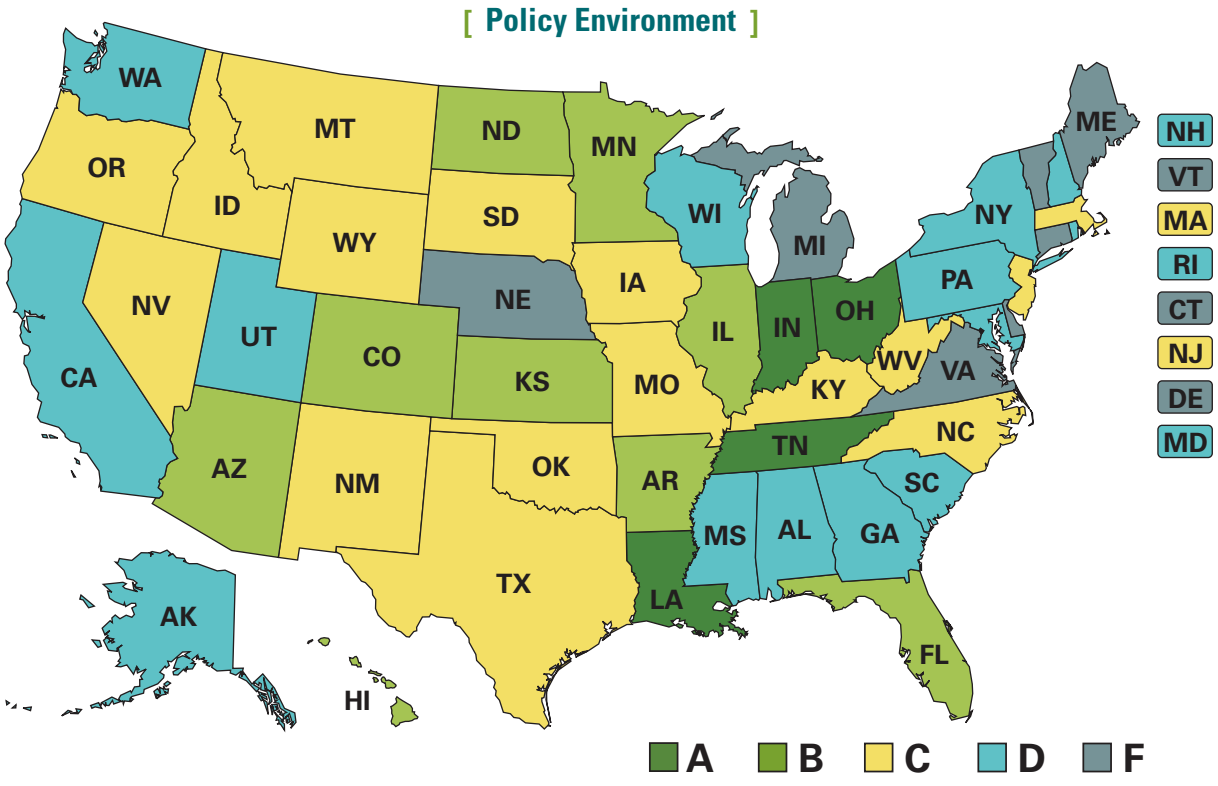
includes not only transfers from community colleges to four-year bachelor's degree programs, but also students who transfer between four-year colleges, and even some who may move from four-year back to two-year colleges. Unfortunately, policies governing credit transfer often leave it up to the receiving institution to decide whether they will award credit. Too often, students trying to earn a degree from one institution are left holding nearly worthless credits from another. This status quo is terribly inefficient, and labyrinthine credit transfer policies are directly at odds with the nation's interest in promoting timely degree completion. Such opaque and inconsistent policies may also discourage students from transferring in the first place, leaving behind qualified students with an interest in further study. Last, ill-conceived articulation rules can also make it difficult to create additional capacity through online course delivery. In a more seamless system, students who were unable to get a spot in a necessary course at their institution could take that course online through another state-sanctioned provider and be confident that those credits would transfer under a statewide policy.

We assessed articulation policies first by seeing if the state had a formal statewide policy governing articulation and credit transfer. We looked to see if the policy permitted students to transfer individual courses as opposed to a block of classes. Some states guarantee transfer only if a student has completed a set of specified courses (e.g., the core general education classes), rather than the individual courses themselves. We then went a step further to see if the state system had specifically identified which courses could be transferred between which campuses. We also coded whether a student could earn an associate's degree from a community college and transfer that degree in full to enter with junior standing at a four-year university.

Finally, we looked to see if the state had developed a common course numbering system across institutions. We rated articulation policies on a five-point scale, with five points signifying the best possible score.

Findings

We found a handful of states that were active in all of the policy areas we identified. Louisiana, Indiana, Ohio, and Tennessee emerged as top states. These states



have each developed OBF systems for both their four- and two-year campuses and have developed a solid, though not perfect, articulation policy. Louisiana's 2011 *Master Plan* identifies three overarching goals and 18 concrete objectives under those three goals, and lays out the performance measures that will be used to assess progress. While Louisiana's completion rates and education attainment lag behind much of the country, the state's effort to create a policy environment that promotes improvement deserves recognition.

Florida and Illinois ranked just behind Louisiana on our measures of policy environment, indicating some progress, albeit incomplete, in the areas that we have identified. For instance, Florida's credit-transfer policies earned top marks in that category, but its outcomes-based funding policy applies only to its two-year college system. Illinois scored well because of its outcomes-based funding policies, but lost points with its transfer of credit policy.

Outside of these top performers, most states had a long way to go in their policy efforts. Six states (Connecticut, Delaware, Maine, Michigan, Nebraska, and Vermont) had neither OBF nor an articulation policy that fulfilled our criteria. California's 2010 report on its *Master Plan* bluntly asserted, "The State of California has no articulated, comprehensive statement of goals for California's system of higher education."

Leaders & Laggards at a Glance

Leaders: **Indiana, Louisiana, Ohio, and Tennessee**
Laggards: **Delaware and Michigan**

Detailed Findings

State Goals for Higher Education. Laying out a coherent set of goals and objectives for higher education is an important first step in pushing the system to do better. Whereas almost all states (41 out of 50) had some sort of state plan for higher education, far fewer expressed these goals in terms of concrete targets (16 states), or had goals surrounding student outcomes other than retention and completion (17 states) or the efficient use of resources (19 states). One of the leaders on this front is Indiana. The state's "Reaching Higher, Achieving More" plan presents clear goals regarding its major initiatives—Completion, Productivity, and Quality—including specific goals such as degree completion, adult enrollment, system efficiency (cost per degree), and student outcomes (assessing student learning). The goals are often compared with other states or with a baseline.

Outcomes-Based Funding. Over the past 10 to 15 years, as many as 20 to 25 states have experimented with some form of outcomes- (or performance-) based funding, yet many have retreated from it in the wake of budget shortfalls. This is especially true for states that treated OBF as a bonus "add-on" to an institution's base funding—making it easy to offer when state coffers were flush with cash and easily dispensable during an economic downturn. Our goal was to try to find states that connected outcomes to a portion of an institution's base funding, which we considered a stronger commitment to rewarding states for their outputs.

Currently, 19 states have some form of OBF. Thirteen states had it in place for both four- and two-year systems, while six had it for one system but not the other. The manner in which the states approach OBF, however, is dramatically different. Ohio has a strong outcomes-based funding system that was enacted in 2009 for the fiscal year 2010–2011. By fiscal year 2011, Ohio was tying 5% of a community college's funding and 10% of a four-year university's funding to student success factors such as degree and course completion, with additional funding incentives for course completion in STEM subjects and for at-risk students. Ohio also has a stop-loss provision stating that no institution can lose more than 1% of its funding per year. The state with the longest record of OBF experimentation is Tennessee, stretching back to the late 1970s. The most recent iteration can be found in the 2010 Complete College Tennessee Act, which bases funding largely on student retention and degree completion rates. The metrics are also risk-adjusted; there is a 40% "premium" on Pell-eligible students (i.e., each counts for 1.4 students) if they graduate. This helps ensure that Tennessee promotes student success without any incentives to restrict the access of traditionally underrepresented students.

Credit Transfer and Articulation. In order to help students navigate the higher education system, pursue further study, and find necessary courses, states must have clear articulation agreements and guidelines about which credits will transfer to which institutions. While we found

some states that were leading the pack on facilitating the movement of credits across institutions, many states have yet to recognize the importance of this issue.

Based on our criteria, Texas, North Dakota, Florida, Montana, Arizona, and Kentucky all received top marks for their articulation policies. Each of these states has a common course numbering system and policies requiring institutions to accept credits earned at other public institutions in the state. For instance, Arizona's articulation and credit transfer system is highly rated. The state identified 35 credit hours of general education coursework, termed the Arizona General Education Curriculum (AGEC), that can be taken at the state's community colleges and are guaranteed to meet the lower division general education requirements at the three Arizona University System institutions. Students are also able to search for transferable individual courses through a new online tool, aztransfer.com. Montana is another leader. Students can transfer an associate's degree in full to a four-year institution and enter with junior standing, the state uses a common course numbering system, and there is a very clear course equivalency guide that allows potential transfer students to see how classes at one institution will transfer to another.

Policy Environment

	Grade	State Goals (6-point Scale)	Does the State Have Outcomes-Based Funding?	Four-Year Outcomes-Based Funding (3-point Scale)	Two-Year Outcomes-Based Funding (3-point Scale)	Does the State Have a Credit Transfer Policy?	Credit Transfer Policy (5-point Scale)
Alabama	D	3	No	0	0	Yes	2
Alaska	D	2	No	0	0	Yes	2
Arizona	B	5	No	0	0	Yes	5
Arkansas	B	0	Yes	3	3	Yes	4
California	D	0	No	0	0	Yes	3
Colorado	B	2	Yes	3	3	Yes	3
Connecticut	F	2	No	0	0	No	0
Delaware	F	0	No	0	0	No	0
Florida	B	6	Yes	0	2	Yes	5
Georgia	D	3	No	0	0	Yes	3
Hawaii	B	4	Yes	3	3	Yes	2
Idaho	C	5	No	0	0	Yes	2
Illinois	B	5	Yes	2	2	Yes	4
Indiana	A	6	Yes	3	3	Yes	4
Iowa	C	4	No	0	0	Yes	4
Kansas	B	5	Yes	1	1	Yes	4
Kentucky	C	3	No	0	0	Yes	5
Louisiana	A	6	Yes	3	3	Yes	4
Maine	F	3	No	0	0	No	0
Maryland	D	0	No	0	0	Yes	4
Massachusetts	C	3	Yes	1	1	Yes	3
Michigan	F	0	No	0	0	No	0
Minnesota	B	3	Yes	2	2	Yes	4
Mississippi	D	0	No	0	0	Yes	4
Missouri	C	4	No	0	0	Yes	3
Montana	C	4	No	0	0	Yes	5
Nebraska	F	3	No	0	0	No	0
Nevada	C	4	No	0	0	Yes	3
New Hampshire	D	1	No	0	0	Yes	3
New Jersey	C	4	No	0	0	Yes	4
New Mexico	C	1	Yes	2	2	Yes	4
New York	D	2	No	0	0	Yes	3
North Carolina	C	4	Yes	0	1	Yes	3
North Dakota	B	5	No	0	0	Yes	5
Ohio	A	6	Yes	3	3	Yes	4
Oklahoma	C	2	Yes	1	1	Yes	4
Oregon	C	3	No	0	0	Yes	4
Pennsylvania	D	0	Yes	2	0	Yes	4
Rhode Island	D	2	No	0	0	Yes	3
South Carolina	D	0	No	0	0	Yes	4
South Dakota	C	5	Yes	1	0	Yes	2
Tennessee	A	4	Yes	3	3	Yes	4
Texas	C	4	No	0	0	Yes	5
Utah	D	2	No	0	0	Yes	4
Vermont	F	2	No	0	0	No	0
Virginia	F	0	Yes	1	0	Yes	2
Washington	D	2	Yes	0	1	Yes	3
West Virginia	C	3	No	0	0	Yes	3
Wisconsin	D	2	No	0	0	Yes	4
Wyoming	C	3	No	0	0	Yes	3

POLICY ENVIRONMENT SPOTLIGHT

Ohio, Indiana, and Tennessee

It is no secret that graduation rates for American students seeking four-year degrees are dismal. The numbers look even worse for those enrolled at the nation's community colleges. Little wonder that, from the White House on down, improving college completion rates has become a priority for policymakers and education leaders. Despite this growing attention to degree completion, however, most states don't give their postsecondary institutions financial incentives to boost graduation rates. Instead, they continue to fund public institutions largely on the basis of their raw enrollment numbers rather than on how many students actually earn diplomas.

A modest number of states have bucked this trend, however. Three noteworthy examples are Ohio, Indiana, and Tennessee, which are linking institutional appropriations to positive education outcomes rather than rewarding institutions for simply enrolling more students. With funding tied heavily to persistence and completion, among other performance measures, institutions in these states now have strong incentives to care much more about student success than student quantity.

In Ohio, some form of outcomes-based funding has existed for two decades, dating back to a report issued in the early 1990s by an Ohio Board of Regents task force. It called for moving away from the existing funding model, which was primarily enrollment-driven and weighted according to statewide instructional costs. The outcomes measures were fairly modest, however, until the 2009–2010 fiscal year, when the Regents created a new funding formula that intensified rewarding colleges for performance. Ohio's State Share of Instruction (SSI) formula for community colleges is now based not only on FTE enrollments but also on "Success Points" that include outcomes such as degree completion, transfers from community colleges to four-year schools, and short-term course completion milestones. The SSI formula for universities is based on course completions, degree completions, and academic success for at-risk students.

Indiana has also made a tangible commitment to better postsecondary performance through an incentive fund that amounts to 6%–7% of the state budget for higher education. All institutions, regardless of institutional mission or size, are evaluated using the same benchmarks—with future funding increases depending on measures such as their ability to reduce attrition and improve completion rates. College completion data rely on the number of degrees an institution awards, the number of "on-time" degrees conferred, and the number of degrees earned by students from low-income backgrounds.

These initiatives create substantial annual financial incentives for colleges and universities. For example, one additional degree awarded in each category would translate to a funding increase of $5,000 per bachelor degree and $3,500 per associate degree. If Indiana University-Bloomington were to graduate an additional student on time who also happened to be Pell Grant-eligible, the university would realize $15,000 in additional funding the following year. Community college transfers are particularly encouraged through a mandate that each matriculating transfer student nets four-year institutions an additional $1,500 in incentive funding.

While sharing many of the characteristics of Ohio and Indiana's outcomes-based funding system, Tennessee has made a particular priority of educating more low-income students. A distinctive part of its approach is that a new state funding formula, signed into law in January 2010, gives significantly more money to colleges and universities that graduate more Pell-eligible student than in the prior year. Tennessee has recognized that doing so is critical to reaching its productivity goals. Other states would be wise to take note.

[Innovation]

Rationale and Methodology

State policies that advance transparency, encourage outcomes-based funding, and promote credit transfer can do a lot to improve student success and boost higher education productivity. But in an era of tight budgets, states must also look for ways to innovate more dramatically. They need to foster new models of higher education that increase student access, build institutional capacity, and allow students to finish degrees more quickly—and at lower cost.

Already, entrepreneurs and innovators around the country have developed many new modes of delivering higher education, from fast-growing online classes to competency-based degree programs. Online delivery frees place- and time-bound students to take courses and earn degrees and certificates when and where their needs require. It can also allow traditional students to progress more quickly by increasing the number of seats in high-demand courses and bending conventional schedules. From the institution or state perspective, online learning has the potential to create money-saving economies of scale by significantly increasing student enrollment. As these innovations tentatively take root, state policies can play a vital role in creating an environment in which they flourish.

To assess states' commitment to higher education innovation, we looked at two dimensions of state policy. First, we considered state efforts to promote innovative models within their own institutions. We examined whether each state had clear goals for online learning efforts at its public institutions, and whether the state had created a central clearinghouse providing information about online learning opportunities that would help students access these courses. We recognize that online learning is not the end-all and be-all of innovation. Indeed, there are certainly other areas in which states can encourage entrepreneurial higher education leaders to rethink traditional business models, job descriptions, and calendars. But we also believe that a willingness to embrace and support online learning on state campuses serves as a good proxy for a state's openness to new ways of thinking.

Second, we asked whether states had erected regulatory barriers to cross-border postsecondary providers. New federal regulations require colleges and universities participating in federal student aid programs to obtain authorization from any state in which they serve students. As a result, state regulatory policies surrounding new providers and online delivery have become increasingly important. For-profit, nonprofit, and public institutions that provide online courses across borders are faced with new and sometimes burdensome demands.

To assess barriers to innovative providers, we partnered with Eduventures, a consulting firm that works with public, nonprofit, and for-profit higher education institutions on issues of regulatory policy. Eduventures conducted an in-depth survey of state regulations governing program approval and licensure, and then graded states on their openness to new providers.

In undertaking this effort, we are not advocating a laissez faire approach to approving new postsecondary providers. On the contrary, we believe that states should engage in smarter regulation rather than outright deregulation, using providers' record of success with students to make approval decisions. Our analysis is designed to spotlight instances in which state regulations are so burdensome that they discourage providers from serving students, thus limiting access and thwarting innovation.

Support for Online Learning. Unfortunately, we could not rate states according to empirical measures, such as the success of students who enroll in online courses, because these data are not reported consistently across states. Instead, we rated states on two criteria that capture their commitment to promoting innovative models. First, we looked at state documents to assess whether state goals for higher education highlighted online learning as a priority, and whether goals for online learning were expressed in concrete, measurable terms (e.g., increasing enrollments or course offerings by a particular number or percentage).

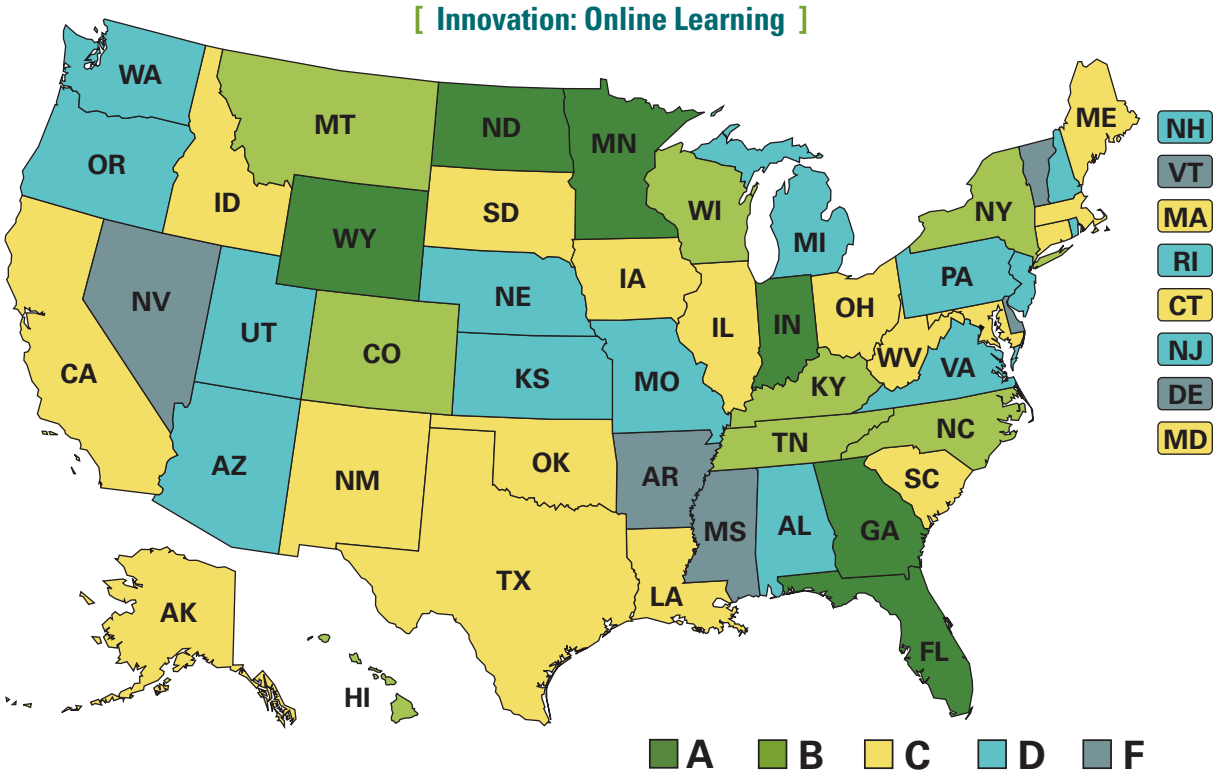
To assess whether a state had made an effort to create a clearinghouse for online courses offered by its public institutions, we searched state higher education websites to see if there was a common portal that aggregated all online courses and programs available to prospective students. We rated states according to whether they had a portal that provided access to both four- and two-year programs and courses. Once we found those resources, we recorded whether the system provided information both on individual courses and on entire undergraduate degree programs that were available online. We

considered both online degree programs and "a la carte" online courses as important pieces of the innovation equation. Place- and time-bound students, particularly working learners, often prefer to do an entire degree program online. Other students, including those enrolled in traditional programs, may want access to individual courses that are not offered at their home campus or that they need to take immediately in order to complete their degrees more quickly. We then awarded an additional point to states that have created policies that make it easy for students to take online courses from public providers across the state and transfer those credits to a home campus. Finally, we gave states a point if they had a statewide goal for online learning, and an additional point if this goal had an empirical target (e.g., to increase the number of online degrees by 50%). Using these criteria, we rated states on a seven-point scale, with seven points signifying the best possible score.

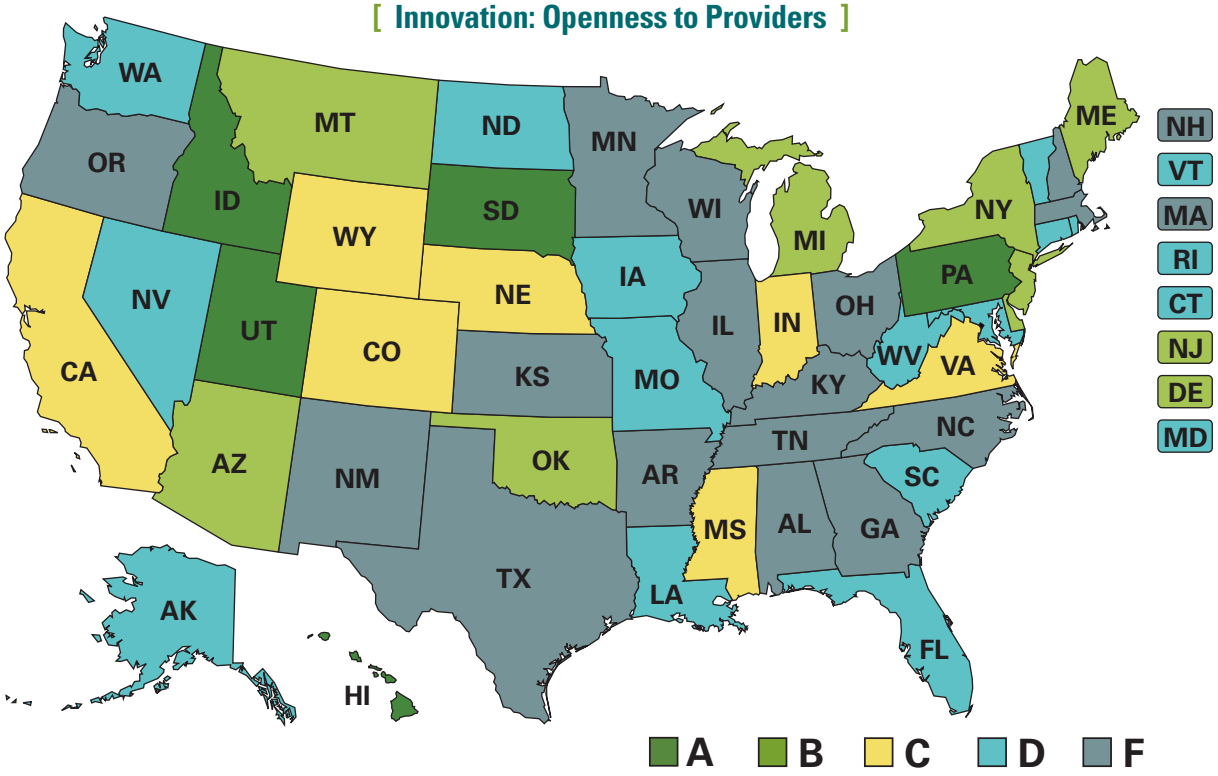
Barriers to Innovative Providers. State regulation of innovative higher education providers has many dimensions. In collaboration with Eduventures, we chose to focus on three. First, we examined whether states required postsecondary institutions to have a physical presence within state lines in order to be authorized, or whether simply enrolling students triggered state oversight. Second, we looked at the extent of state fees for program approval. Third, we examined the variation in the burden of the approval process across the states; some have streamlined, timely procedures, while others require a detailed, drawn out process that duplicates the existing accreditation process. Eduventures researchers graded states on all three of these dimensions to come up with an overall grade for the state's regulatory environment. For more details on Eduventures grading method, see the Technical Appendix at http://icw.uschamber.com/content/leaders-and-laggards-appendix.

Findings

At the time of publication, most states had at least one institution that provided online courses or undergraduate degree programs, but the extent to which states have coordinated these online efforts varied dramatically. In our analysis, Georgia and Florida emerged as leaders in promoting online higher education. Both states had set concrete goals for developing their online



[Innovation: Openness to Providers]



learning offerings. The University System of Georgia's strategic plan called on state institutions to increase access by boosting the number of credits awarded by distance education, and it has set targets for 2011 and 2012. Florida's state plan established clear targets for increasing the percentage of course sections offered via online and blended learning.

Georgia and Florida also developed easy-to-use resources for students looking to access online courses and degrees. Georgia's "ONmyLINE" system provides students with access to more than 100 associate's and bachelor's degree programs that are available through public institutions in the state, as well as thousands of courses that are open to on-campus students in search of individual courses. Georgia's eCore program allows beginning students to take their entire first two years of coursework—the core courses required of all Georgia graduates—completely online. Florida's Distance Learning Consortium allows students to access online degree programs and courses available at the state's public and private institutions. Students can use Florida's common course numbering system to figure out which courses will transfer to other colleges.

The Eduventures analysis found that most states have erected high regulatory barriers to innovative higher education providers. Sixteen states received the lowest grade, with Massachusetts, Oregon, North Carolina, and Minnesota receiving the lowest scores on the regulatory rating scale. The difficult application process, high fees, and far-reaching oversight may discourage providers from serving students in those states. An additional 14 states received a D grade on the Eduventures scale.

But the story was not all discouraging: 13 states received grades of A or B on the Eduventures scale, with South Dakota and Hawaii receiving top scores. Many of these states rely on an institution's home state approval and licensure to admit providers. Some of the states receiving top grades, such as Pennsylvania, have recently made it simpler for out-of-state institutions to receive approval, thus boosting their scores from what they would have been just a few months ago.

Leaders & Laggards at a Glance

Online Learning Leaders:	**Florida and Georgia**
Online Learning Laggards:	**Arkansas, Delaware, Nevada, and Vermont**
Openness to Providers Leaders:	**Hawaii and South Dakota**
Openness to Providers Laggards:	**Massachusetts and Oregon**

Detailed Findings

State Goals for Online Learning. We found that 33 states had established goals for improving and increasing online learning access, and five of those had set concrete, measurable targets against which to measure their progress. For example, the Arizona Board of Regents 2013–2017 Strategic Plan established targets for the number of online degrees and certificates awarded by the three universities in the system. Iowa had set a similar goal of boosting student enrollments in distance education courses by 15% by 2016.

Encouraging Access to Online Learning. Thirty-five states had a central clearinghouse where students could access information about online courses and programs at four-year colleges and universities in the state. Forty states had such a system for two-year colleges. In all, 31 states had a clearinghouse that covered online offerings across both sectors.

Several states, including Indiana, Tennessee, North Carolina, Colorado, and Kentucky, stood out for their efforts to promote online learning opportunities, allowing students to cobble together online courses from multiple providers and count those credits toward their degree. North Carolina features two online learning initiatives—one for the University of North Carolina system and the other for the state's 58 community colleges. Students enrolled in UNC Online courses have access to "e-mentors" who help with academic advising, as well as a network of proctors in the area that can oversee student exam-taking. The Indiana College Network and the Tennessee Regents Online Campus Collaborative allow students to take online courses from different institutions across the state while their home campus handles issues of financial aid and academic advising. The North Dakota University System operates under a similar system.

Barriers to Innovation. On questions of regulatory jurisdiction, Eduventures found considerable variability in state regulatory thresholds. Seven states (Alabama, Arkansas, Massachusetts, Minnesota, Montana, Wisconsin, and Wyoming) required providers to gain approval if they enroll any state residents in an online degree program. By contrast, 13 states regulated only providers with a brick and mortar presence within their borders. The remaining states fell somewhere in the middle, regulating any provider that hired faculty in the state, engaged in advertising and marketing in the state, or had recruiting agents in the state.

Licensing fees also varied widely, ranging from $250 or less (Delaware, Connecticut, Hawaii, Missouri, Michigan, Wyoming, Maine, and Oklahoma) to $7,500 per program or more. Maryland's licensure fee is $7,500 for the first two programs; New Hampshire and Massachusetts charge $10,000 for the first program. The states with the highest fees also tended to charge the most for each subsequent program: Massachusetts charges $2,000 for each additional program, and New Hampshire charges $3,000 per additional program. Other states based licensure fees on the amount of tuition dollars paid to the institution from in-state students, or a minimum payment, whichever is higher. Alabama, Florida, Idaho, and South Carolina used this kind of model.

To assess regulatory burden—a subjective judgment, to be sure—Eduventures measured states relative to one another. It compared states' requirements with those of a "typical" application to operate a postsecondary institution in a state.[9] Here, too, there was considerable variety. Twelve states stood out as having extensive application processes. Connecticut, for instance, required providers to circulate program proposals to the Chief Academic Officers at each institution of higher education in the state. Oregon's application process necessitated that faculty be approved by the state of Oregon; any faculty not approved by the state cannot technically teach Oregon students. Nevada required the name, address, phone, and amount invested for all investors, character references for institution directors and each academic program director, and "a flow chart, outline or similar document depicting how the class will be taught on a day-to-day basis, including as a minimum the completion time for each graded objective."

By comparison, nine states had application processes that received the top rating for simplicity. Wyoming required a simple two-page application plus proof of accreditation. Montana called for providers to register with the secretary of state. In Oklahoma the institution's president must provide a formal request to operate in the state, including information on accreditation, an evaluation report, program details, and tuition and fee information. In all, approval processes in 27 states fell somewhere between typical and simple on the Eduventures scale.

Again, this analysis is not intended to advocate a hands-off approach to higher education regulation. Rather, in an era of tight budgets and limited capacity, we believe that states should consider how their regulatory apparatus might cut their students off from providers that can expand capacity, serve certain students better, and do so at little cost to the state. At the same time, states should focus on how they can encourage innovation in their own public institutions. Meeting that goal will require close scrutiny of regulations that may pose an obstacle to experimentation at those institutions.

Innovation

	Openness to Providers Grade	Numerical Openness to New Providers Grade	Regulatory Jurisdiction	Financial Burden	Approval Process Burden	Online Learning Grade	Online Learning Score (7-point Scale)	Does the State Have an Online Learning Goal?
Alabama	F	51%	40%	73%	40%	D	2	No
Alaska	D	64%	60%	73%	60%	C	3.5	Yes
Arizona	B	80%	100%	80%	60%	D	2	Yes
Arkansas	F	57%	40%	80%	50%	F	1	No
California	C	71%	60%	93%	60%	C	3	No
Colorado	C	68%	50%	73%	80%	B	5	Yes
Connecticut	D	67%	60%	100%	40%	C	3	No
Delaware	B	87%	100%	100%	60%	F	1	No
Florida	D	59%	50%	67%	60%	A	7	Yes
Georgia	F	54%	60%	53%	50%	A	7	Yes
Hawaii	A	100%	100%	100%	100%	B	5	Yes
Idaho	A	89%	100%	87%	80%	C	3	No
Illinois	F	48%	50%	53%	40%	C	4	Yes
Indiana	C	73%	80%	80%	60%	A	6	Yes
Iowa	D	61%	50%	73%	60%	C	4	Yes
Kansas	F	49%	50%	47%	50%	D	2	Yes
Kentucky	F	51%	50%	53%	50%	B	5	Yes
Louisiana	D	63%	50%	80%	60%	C	4	Yes
Maine	B	80%	80%	100%	60%	C	4	Yes
Maryland	D	66%	100%	47%	50%	C	4	Yes
Massachusetts	F	43%	40%	40%	50%	C	3	No
Michigan	B	87%	100%	100%	60%	D	2.5	No
Minnesota	F	47%	40%	60%	40%	A	6	Yes
Mississippi	C	69%	60%	87%	60%	F	1.5	No
Missouri	D	67%	50%	100%	50%	D	2.5	Yes
Montana	B	80%	40%	100%	100%	B	5	Yes
Nebraska	C	72%	100%	67%	50%	D	2	Yes
Nevada	D	61%	50%	93%	40%	F	1	No
New Hampshire	F	53%	50%	60%	50%	D	2	No
New Jersey	B	87%	100%	100%	60%	D	2	No
New Mexico	F	54%	50%	53%	60%	C	4	Yes
New York	B	87%	100%	100%	60%	B	5	Yes
North Carolina	F	46%	50%	47%	40%	B	5	Yes
North Dakota	D	63%	60%	80%	50%	A	6	Yes
Ohio	F	54%	50%	53%	60%	C	4	Yes
Oklahoma	B	80%	60%	100%	80%	C	3.5	Yes
Oregon	F	43%	50%	40%	40%	D	2	No
Pennsylvania	A	93%	100%	100%	80%	D	2	No
Rhode Island	D	64%	50%	93%	50%	D	2	Yes
South Carolina	D	64%	80%	73%	40%	C	3	Yes
South Dakota	A	100%	100%	100%	100%	C	3	Yes
Tennessee	F	50%	50%	60%	40%	B	5	No
Texas	F	54%	50%	73%	40%	C	3	No
Utah	A	93%	100%	80%	100%	D	2	Yes
Vermont	D	66%	50%	87%	60%	F	1	No
Virginia	C	71%	100%	73%	40%	D	2.5	Yes
Washington	D	63%	50%	80%	60%	D	2.5	Yes
West Virginia	D	66%	50%	87%	60%	C	3	Yes
Wisconsin	F	50%	40%	60%	50%	B	5	Yes
Wyoming	C	73%	40%	100%	80%	A	6	Yes

INNOVATION SPOTLIGHT

Promoting Innovative Education Options

Why aren't more states bringing innovative practices to their colleges and universities? At a time of tight budget constraints, university leaders and policymakers tend to fear that introducing new initiatives will involve prohibitive start-up costs. Such concerns are certainly understandable, but several states have proven that higher education reform does not have to break the bank. The alternative to building brand-new delivery models is to leverage existing education assets, either within the state or externally, by using them in new ways or simply by paving a pathway to growth.

Three cases in point are Indiana, Texas, and Washington state, which have entered partnerships with Western Governors University (WGU), the fast-growing online institution that grants credits based on competency rather than traditional seat-time in a classroom. Each state has, in essence, given WGU the status of an in-state school, making its students eligible for state financial aid grants and ensuring that the credits they earn are automatically eligible for transfer to other colleges and universities in the state. In Indiana, an agreement with Ivy Tech Community College, the state's largest postsecondary institution, allows WGU students to use its facilities for independent study. Online classes created by existing providers such as WGU don't require states to incur any additional costs to develop courses—which can be a significant start-up expense—or to build infrastructure. The result is a low-cost, efficient option that makes use of state tuition assistance but doesn't impose any additional costs on taxpayers.

Other states have improved college access without adding costs simply by focusing on improving communications with the public about online programs that already operate in the state. Connecticut (www.ctdlc.org) and Florida (www.distancelearn.org) have each set up a distance-learning clearinghouse to provide students with comprehensive information about their options. Each website lets students search statewide for public programs or even individual courses that are available in an online setting. With many students opting to take general education courses at lower cost community colleges, this can be a powerful tool for students to find the program or course that best meets their education needs or learning style without having to stray too far away from their home or their campus.

For some states, unfortunately, just getting out of the way would be a good start to promoting the kinds of innovative efforts that show great promise in reducing costs. Rhode Island law, for example, directly prohibits any for-profit institution—whether on a traditional campus or in a virtual setting—from conferring degrees within the state. Only the now-defunct Gibbs College received a legislative exemption to the law, though Neumont College, a school based in Utah, is applying for the same status. For-profit institutions are allowed to confer pre-associate's certificates within the state, but they face a burdensome regulatory structure. For instance, state regulators must approve nearly any change made by an institution, whether it wants to add or eliminate a program of study, or simply change instructional personnel. At a time when new approaches to serving students are badly needed, restrictions like these send higher education policy in exactly the wrong direction.

[State Report Cards]

ALABAMA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	14
Number of Public Two-Year Institutions	25
Number of Students Served by Public Four-Year Institutions	112,902
Number of Students Served by Public Two-Year Institutions	79,903

Student Access & Success

Alabama's four-year institutions perform poorly in credentials produced per 100 full-time equivalent undergraduates, contributing to the state's below average performance. Both the state's four- and two-year institutions are below the national medians for completion and retention rates.

Efficiency & Cost-Effectiveness

Alabama's four- and two-year costs per completion ($77,113 and $67,165, respectively) contribute to the state's below average performance. The state receives middling rankings for state and local funding per completion for both sectors ($48,074 for four-years and $40,956 for two-years).

Meeting Labor Market Demand

The median wage of an Alabama bachelor's degree holder is approximately $20,000 (or 70%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is 5 percentage points lower. The median wage of an associate's degree holder is approximately $10,200 (or 36%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 percentage points lower.

Transparency & Accountability

Alabama's consumer information site and public accountability report contain limited information on student outcomes. The state neither tracks student labor market outcomes, nor does it measure student learning in any systematic way.

Policy Environment

Alabama's "Forging Strategic Alliances" plan does not provide hard targets for state goals, although the state aims to improve system efficiency. The state does not have outcomes-based funding. While the articulation policy allows students to transfer individual courses, the Alabama Articulation and General Studies Committee ruled that common course numbering was not needed.

Innovation

Alabama receives a low grade for its support for online learning, with an online portal for four University of Alabama institutions but little for community colleges. Regarding approving new vendors, Alabama has an average financial burden but a highly onerous approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	A
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	A
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	D
Innovation: Openness to Providers	F

ALASKA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	3
Number of Public Two-Year Institutions	1
Number of Students Served by Public Four-Year Institutions	17,907
Number of Students Served by Public Two-Year Institutions	288

Student Access & Success

Alaska is last nationally in terms of four-year credentials produced per 100 full-time equivalent undergraduates, four-year completion rate, and two-year retention rate. The state receives similarly low marks for the percentage of undergraduate students receiving Pell Grants.

Efficiency & Cost-Effectiveness

Alaska has extraordinarily high four- and two-year costs per completion ($142,638 for four-years and $268,186 for two-years), resulting in both sectors ranking at the very bottom nationally.

Meeting Labor Market Demand

The median wage of an Alaskan bachelor's degree holder is approximately $14,400 (or 39%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 7 percentage points lower. Alaska's two-year institution earns very high marks in this area. The median wage of an associate's degree holder is approximately $9,400 (or 26%) more than the median wage of a high school graduate; the overall unemployment rate is about 5 percentage points lower.

Transparency & Accountability

Alaska gets very low marks in this area. Alaska's consumer information site and public accountability report include graduation rates, but neither includes information on additional student outcomes. Alaska does not track student labor market outcomes, nor does it measure student learning.

Policy Environment

The University of Alaska's state plan does not include information on student outcomes or system efficiency. The state does not have outcomes-based funding and its articulation policy is excessively broad. While students who complete the state's general education requirements are allowed to transfer those credits, it is not explicitly stated what those requirements are.

Innovation

Alaska's "UA Online" portal is a useful resource for both four- and two-year classes that are available online, though it lacks clarity about the transferability of online credits. Regarding approving new providers, Alaska has an average financial burden but an onerous approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	C
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	A
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	C
Innovation: Openness to Providers	D

ARIZONA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	3
Number of Public Two-Year Institutions	19
Number of Students Served by Public Four-Year Institutions	96,176
Number of Students Served by Public Two-Year Institutions	132,132

Student Access & Success

Arizona's four-year institutions perform well on credentials produced per 100 full-time equivalent undergraduates but average in completion rate, retention rate, and the percentage of undergraduates receiving Pell Grants. The state's two-year institutions have a completion rate well below the national median and average performance in the other three categories.

Efficiency & Cost-Effectiveness

Arizona's four- and two-year costs per completion result in the state's rank near the top 10 nationally at $59,752 and $44,911 respectively. State and local funding per completions ($40,046 and $39,805, respectively) are both right around the national medians ($41,198 for four-years and $35,476 for two-years).

Meeting Labor Market Demand

The median wage of an Arizona bachelor's degree holder is approximately $20,300 (or 67%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is approximately 5.5 points lower. The median wage of an associate's degree holder is about $10,000 (or 33%) more than the median wage of a high school graduate; the overall unemployment rate is about 3.5 points lower.

Transparency & Accountability

Arizona's consumer information site does not report student outcomes, though the state public accountability report discusses labor market success. Arizona does not measure student learning outcomes. However, the Arizona Board of Regents reports median wages from the three Arizona University System (AUS) four-year institutions, broken down by instructional area, as well as broad numbers of AUS graduates employed in Arizona. There is nothing similar for two-year institutions.

Policy Environment

The AUS strategic plan has numeric targets based on 2010 baselines, with specific goals concerning student outcomes and institutional efficiency. Arizona's articulation system has a useful credit portal and common course numbering for a bank of frequently transferred courses. The state does not have an outcomes-based funding system.

Innovation

The four-year colleges in Arizona used to collaborate on an online learning clearinghouse (AZSun), but the system was closed in 2009. Regarding new providers, Arizona has a burdensome approval process but is less likely to assert regulatory jurisdiction than other states.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	B
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	F

State	
Policy Environment	B
Innovation: Online Learning	D
Innovation: Openness to Providers	B

ARKANSAS

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	8
Number of Public Two-Year Institutions	24
Number of Students Served by Public Four-Year Institutions	57,107
Number of Students Served by Public Two-Year Institutions	52,698

Student Access & Success

Arkansas' four-year institutions score well on the percentage of undergraduates receiving Pell Grants, but the state is in the bottom 10 nationally in terms of credentials produced per 100 full-time equivalent undergraduates as well as completion and retention rates. The state's two-year institutions fare slightly better, resulting in Arkansas' placement in the top 10 states for credentials produced per 100 full-time equivalent undergraduates and the percentage of Pell recipients, but with a retention rate that lags behind the national median.

Efficiency & Cost-Effectiveness

Arkansas' four-year institutions, despite low cost per completion ($60,301), have state and local funding per completion ($53,984) that places the state among the bottom 10 nationally. Arkansas' two-year institutions fare slightly better, with a cost per completion ($44,843) and state and local funding ($30,981) below the national medians at $57,210 and $35,476, respectively.

Meeting Labor Market Demand

The median wage of an Arkansas bachelor's degree holder is approximately $15,700 (or 56%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is $6,800 (or 24%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Arkansas' consumer information site and public accountability report contain limited information on student outcomes. The state does not measure student learning outcomes, but the *Arkansas Education to Employment Report 2011* reports employment and wages in both four- and two-year institutions by degree level.

Policy Environment

Arkansas does not have a formal set of postsecondary system goals. The Arkansas Course Transfer System is a simple portal that shows which courses transfer from one Arkansas public institution to another, though a full associate's degree is not guaranteed to transfer. Beginning in the 2013–2014 academic year, 5% of funding for all higher education institutions will be based on outcomes metrics building to 25% by 2017.

Innovation

Arkansas offers an associate's degree through the University of Arkansas Online, but its online learning resources are otherwise limited. Regarding regulating new providers, it has a highly burdensome approval process and asserts jurisdiction over any provider that enrolls students in the state.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	F
Transparency & Accountability	D

State	
Policy Environment	B
Innovation: Online Learning	F
Innovation: Openness to Providers	F

CALIFORNIA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	32
Number of Public Two-Year Institutions	116
Number of Students Served by Public Four-Year Institutions	496,659
Number of Students Served by Public Two-Year Institutions	985,986

Student Access & Success

California's four-year institutions rank in the top 10 among all states in credentials produced per 100 full-time equivalent undergraduates, completion rate, and retention rate. The state's two-year institutions performance results in a low ranking in credentials produced per 100 full-time equivalent undergraduates and the percentage of undergraduates receiving Pell Grants, but these institutions perform better in terms of completion and retention rates.

Efficiency & Cost-Effectiveness

California's four-year institution cost per completion ($62,112) ranks in the top third of all states, and state and local funding per completion ($35,537) is below the national average of $41,198. California's two-year institutions, however, have a cost per completion ($64,554) and state and local funding per completion ($56,248) in the bottom third of all states.

Meeting Labor Market Demand

The median wage of a California bachelor's degree holder is approximately $28,500 (or 88%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is approximately $14,500 (or 45%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

California receives low marks in this area. California's consumer information site contains information on student outcomes, though the state's public accountability report contains limited information. The California Community Colleges system has a series of reports that show the median wages for graduates of California two-year institutions, but there is nothing comparable for the four-year institutions. The state does not measure student learning outcomes.

Policy Environment

California does not have a set of state goals for its postsecondary system. The state also does not have outcomes-based funding. Although it has an articulation and credit transfer policy, the policy is not clearly defined.

Innovation

The California Virtual Campus serves as a useful online portal for four- and two-year courses and degrees at public and nonprofit colleges in the state, though there is no state goal surrounding online learning. Regarding regulating new providers, California has a minimal financial burden but a fairly onerous approval process.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	B
Transparency & Accountability	D
Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	B
Transparency & Accountability	D
State	
Policy Environment	D
Innovation: Online Learning	C
Innovation: Openness to Providers	C

COLORADO

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	15
Number of Students Served by Public Four-Year Institutions	111,861
Number of Students Served by Public Two-Year Institutions	63,986

Student Access & Success

Colorado's four-year institutions score below average in credentials produced per 100 full-time equivalent undergraduates, completion rate, retention rate, and the percentage of undergraduates receiving Pell Grants. Colorado's two-year institutions score average marks with a completion rate that is just above the national median but a low retention rate.

Efficiency & Cost-Effectiveness

Colorado is among the country's most cost-effective states, with costs per completion ($61,444 for four-years and $47,679 for two-years) that rank in the top third of all states and top rankings for state and local funding per completion for both four- and two-year sectors, at $13,042 and $16,915, respectively.

Meeting Labor Market Demand

The median wage of a Colorado bachelor's degree holder is approximately $18,600 (or 56%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3 points lower. The median wage of an associate's degree holder is approximately $7,200 (or 22%) more than the median wage of a high school diploma holder; the overall unemployment rate is a mere 1.4 points lower.

Transparency & Accountability

Colorado gets below average marks in this area. The state's public accountability report does contain information on student outcomes, but the consumer information source is limited in scope. Colorado does not track labor market outcomes, nor does it measure student learning.

Policy Environment

Colorado receives an above average grade for its policy environment. Even though the state's 2010 strategic plan for postsecondary education does not have empirical targets, and there are no goals for student outcomes or efficiency, the state performs well in other areas. The state's articulation policy includes both a "two-plus-two" associate's degree transfer policy and a portal for individual general education courses. Colorado also recently adopted outcomes-based funding, though the metrics are undetermined; the funding model won't go into effect until 2015 and only if state base funding is reached.

Innovation

Colorado receives a good grade for its support for online learning, with separate portals for both four- and two-year institutions and a system that allows community college students to take online courses at institutions across the state (CCCOnline). Regarding regulating new providers, Colorado receives an average mark with a minimal approval process burden but its regulatory jurisdiction is broader.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	D
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	F
Transparency & Accountability	F

State	
Policy Environment	B
Innovation: Online Learning	B
Innovation: Openness to Providers	C

CONNECTICUT

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	9
Number of Students Served by Public Four-Year Institutions	47,947
Number of Students Served by Public Two-Year Institutions	33,957

Student Access & Success

Connecticut's four-year institutions put the state at a top 10 national ranking in both credentials produced per 100 full-time equivalent undergraduates and retention rate, though the state has a very low percentage of undergraduates receiving Pell Grants. The state's performance at the two-year level is particularly poor, with completion rates and credentials produced per 100 full-time equivalent undergraduates that rank in the bottom third nationally and an average retention rate.

Efficiency & Cost-Effectiveness

Connecticut has a four-year cost per completion of $74,572, ranking in the bottom third, and a two-year cost per completion of $80,674, placing the state in the bottom five nationally. State and local funding per completion also ranks in the bottom third for both sectors, at $51,412 for four-years and $50,367 for two-years.

Meeting Labor Market Demand

The median wage of a Connecticut bachelor's degree holder is $25,000 (or 63%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is approximately $8,900 (or 22%) more than the median wage of a high school diploma holder; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

The Connecticut Board of Regents links directly to each institution's National Center for Education Statistics College Navigator profile, allowing consumers to access student outcomes and net price information for each school. Its public accountability report is similarly strong. Connecticut does not measure student learning outcomes, but has produced a series of reports that look at the percentage of graduates employed in the state, broken down by institution and program of study.

Policy Environment

Connecticut does not have a set of formal state goals, an outcomes-based funding system, or a statewide articulation and credit transfer policy.

Innovation

The Connecticut Distance Learning Consortium is an online portal for four- and two-year courses and degrees, though the state does not have a goal to advance online learning. Regarding new providers, Connecticut has a highly burdensome approval process and a restrictive regulatory jurisdiction but a minimal financial burden, resulting in an overall below average mark.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	B

Two-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	C
Transparency & Accountability	B

State	
Policy Environment	F
Innovation: Online Learning	C
Innovation: Openness to Providers	D

DELAWARE

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	2
Number of Public Two-Year Institutions	3
Number of Students Served by Public Four-Year Institutions	20,959
Number of Students Served by Public Two-Year Institutions	11,351

Student Access & Success

Delaware's four-year institutions rank very high in both completion and retention rates, though the state has the lowest-ranked percentage of undergraduates receiving Pell Grants. Delaware's two-year institutions receive a very low mark with below average performance for credentials produced per 100 full-time equivalent undergraduates, completion rate, retention rate, and the percentage of Pell recipients.

Efficiency & Cost-Effectiveness

Delaware gets below average marks in this area. While Delaware's four-year institutions have a cost per completion ($94,654) that ranks near the bottom nationally, the state and local funding per completion ($36,914) ranks close to the top third. Delaware's two-year institutions perform as poorly with a cost per completion ($65,805) and state and local funding per completion ($48,885) hovering near the bottom nationally.

Meeting Labor Market Demand

The median wage of a Delaware bachelor's degree holder is approximately $19,600 (or 58%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $9,000 (or 27%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Delaware's consumer information site and public accountability report do not contain information on student outcomes. The state does not measure student learning outcomes or track graduate performance in the labor market.

Policy Environment

Delaware does not have a set of state goals for its higher education institutions. The state neither has an outcomes-based funding policy, nor does it have a statewide articulation and credit transfer policy.

Innovation

Delaware receives a very low grade in support for online learning, with no central clearinghouse for online courses and no state goal to advance online learning. Some courses are available via the Southern Regional Education Board's E-campus, but the state itself has few resources. Delaware is not likely to assert regulatory jurisdiction over new providers and has a minimal financial burden, though providers that trigger the approval process must undergo a fairly onerous approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	B
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	F

State	
Policy Environment	F
Innovation: Online Learning	F
Innovation: Openness to Providers	B

FLORIDA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	14
Number of Public Two-Year Institutions	62
Number of Students Served by Public Four-Year Institutions	218,257
Number of Students Served by Public Two-Year Institutions	374,662

Student Access & Success

Florida's four-year institutions are among the nation's leaders in credentials produced per 100 full-time equivalent undergraduates, the percentage of undergraduates receiving Pell Grants, and retention rate. The state's two-year institutions score very high marks in credentials produced per 100 full-time equivalent undergraduates, completion rate, and retention rate, though the state performs much worse in the percentage of Pell recipients.

Efficiency & Cost-Effectiveness

Florida receives a good grade in this area for four-year institutions, with a cost per completion of $46,071, which is the best of all states, and a state and local funding per completion ($41,647) slightly above the national median of $41,198. Florida's two-year institutions fare even better with a cost per completion ($38,146) and state and local funding per completion ($21,115) in the top five of all states.

Meeting Labor Market Demand

The median wage of a Florida bachelor's degree holder is approximately $17,400 (or 61%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is approximately $8,900 (or 31%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

Florida's consumer information source does not include information on student outcomes; however, its public accountability report contains information on learning and labor market outcomes as well as system efficiency, with all goals benchmarked over time to both state and external targets. Florida does not measure student learning outcomes. However, it is a national leader in tracking student labor market outcomes. The Florida Education and Training Placement Information Program data collection and consumer reporting system looks at the percentage of graduates who are employed or are continuing school for both four- and two-year graduates.

Policy Environment

Florida's 2012–2025 strategic plan for higher education has clear goals with empirical targets including student outcomes and system efficiency. Florida has a small outcomes-based funding policy for two-year institutions but there is not a comparable system for four-year institutions. Finally, the state has an impressive articulation and credit transfer policy, including a statewide course numbering system.

Innovation

The Florida Distance Learning Consortium is a robust portal with a range of online courses and degree programs available at public and private institutions within the state. Regarding regulating new providers, Florida has fairly restrictive regulations, resulting in a low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	C
Transparency & Accountability	C

State	
Policy Environment	B
Innovation: Online Learning	A
Innovation: Openness to Providers	D

GEORGIA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	20
Number of Public Two-Year Institutions	46
Number of Students Served by Public Four-Year Institutions	171,772
Number of Students Served by Public Two-Year Institutions	165,769

Student Access & Success

Georgia's four-year institutions rank above average on retention rate and the percentage of undergraduates receiving Pell Grants, but below average on credentials produced per 100 full-time equivalent undergraduates and completion rate. The state's two-year institutions are national leaders in the percentage of Pell recipients and above average in credentials produced per 100 full-time equivalent undergraduates and completion rate, but below average in retention rate.

Efficiency & Cost-Effectiveness

Georgia receives very good grades in this area, with both four- and two-year costs per completion ($53,897 and $39,540, respectively) ranking in the top five of all states and strong scores for state and local funding per completion for both sectors ($40,748 for four-years and $20,262 for two-years).

Meeting Labor Market Demand

The median wage of a Georgia bachelor's degree holder is approximately $20,800 (or 69%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4.5 points lower. The median wage of an associate's degree holder is approximately $9,500 (or 32%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

Georgia receives below average scores for its consumer information and public accountability resources. The state does not track student labor market outcomes. However, it does measure student learning outcomes, most recently with a new core curriculum that requires all University System of Georgia (USG) institutions to develop learning outcomes assessments on general education subjects.

Policy Environment

While the state's 2010 strategic plan for higher education has a list of state goals, including student learning outcomes, Georgia scores low marks in this area. The state's articulation policy allows a block credit transfer of general education classes from two-year to four-year institutions within the USG system, but only if the students do not change majors. Georgia does not have an outcomes-based funding system.

Innovation

Georgia's "ONmyLINE" system is a quality online portal that provides access to a range of courses and degree programs, and its E-Core initiative allows students to take all of their general education credits online. Regarding regulating new providers, Georgia has a highly restrictive regulatory environment, with significant financial and approval process burdens, resulting in a very low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	C
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	A
Innovation: Openness to Providers	F

HAWAII

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	3
Number of Public Two-Year Institutions	7
Number of Students Served by Public Four-Year Institutions	17,069
Number of Students Served by Public Two-Year Institutions	18,854

Student Access & Success

Hawaii gets low marks in this area for both four-year and two-year institutions. The state's four-year institutions score well in credentials produced per 100 full-time equivalent undergraduates but below average in completion rate, retention rate, and the percentage of undergraduates receiving Pell Grants. The state's two-year institutions have a relatively high retention rate but score much lower on the percentage of Pell recipients and completion rate.

Efficiency & Cost-Effectiveness

Hawaii receives very low grades in this area, with both a four-year cost per completion ($85,139) and a two-year cost per completion ($77,267) ranking in the bottom 10 nationally. State and local funding per completion ranks in the bottom five states for both sectors, at $85,249 for four-years and $58,532 for two-years.

Meeting Labor Market Demand

The median wage of a Hawaii bachelor's degree holder is approximately $17,200 (or 56%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is approximately $9,900 (or 32%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

Hawaii receives an average score for its public accountability resources but overall poor and very poor grades in this area. The state does not measure student learning or labor market outcomes, contributing to its overall below average performance.

Policy Environment

The University of Hawaii (UH) System has a list of performance measures with targets to 2015. The UH System also has an outcomes-based funding system. Each school has set outcomes targets, and the weights for each outcome vary by campus depending on the institution's mission. Ultimately, about 3% of an institution's budget is at stake. The UH System also has an articulation policy whereby a student can transfer an associate's degree to a four-year institution.

Innovation

The UH System's distance learning portal includes courses and degrees for both four- and two-year institutions, and the state has explicit targets to increase distance learning. Regarding new providers, Hawaii asserts very little regulatory authority.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	B
Transparency & Accountability	F

State	
Policy Environment	B
Innovation: Online Learning	B
Innovation: Openness to Providers	A

IDAHO

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	4
Number of Public Two-Year Institutions	3
Number of Students Served by Public Four-Year Institutions	35,684
Number of Students Served by Public Two-Year Institutions	10,139

Student Access & Success

Idaho receives a failing grade for four-years institutions in this area. Although the state is near the top for the percentage of undergraduates receiving Pell Grants, Idaho is near the bottom for credentials produced per 100 full-time equivalent undergraduates, completion rate, and retention rate. The state's two-year institutions receive an average grade, with a relatively high percentage of Pell recipients but a low retention rate.

Efficiency & Cost-Effectiveness

Idaho's four-year cost per completion ($76,169) ranks near the bottom 10 states while the two-year cost per completion ($64,759) is in the bottom third of all states nationally. State and local funding per completion also ranks in the bottom 10 states for both sectors, at $56,397 for four-years and $49,915 for two-years.

Meeting Labor Market Demand

The median wage of an Idaho bachelor's degree holder is approximately $15,600 (or 51%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $5,100 (or 17%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Idaho receives low scores in this area with average consumer information and public accountability resources. The state does not measure student learning or labor market outcomes.

Policy Environment

The Idaho strategic plan is designed for both its K–12 and higher education systems, but it nevertheless has numeric targets and includes goals for efficiency. Students who complete an associate's degree at any Idaho community college are considered juniors if they transfer to an Idaho four-year institution. The state does not have an outcomes-based funding system, contributing to its overall average grade.

Innovation

Idaho did not include a goal to advance online learning in its state goals, but the Idaho E-Campus provides students with access to information about online offerings at seven state campuses. Regarding new providers, Idaho is unlikely to assert regulatory jurisdiction over online providers, and the state features minimal financial and approval process burdens, resulting in a very high mark.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	D
Transparency & Accountability	D
Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	F
Transparency & Accountability	F
State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	A

ILLINOIS

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	48
Number of Students Served by Public Four-Year Institutions	141,085
Number of Students Served by Public Two-Year Institutions	272,956

Student Access & Success

Illinois' four-year institutions rank in the top 10 in credentials produced per 100 full-time equivalent undergraduates and completion rate. Illinois' two-year institutions are slightly above the national median in retention rate but below in credentials produced per 100 full-time equivalent undergraduates, completion rate, and the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

Illinois' four-year institutions receive an above average mark with cost per completion of $59,325. Illinois' two-year institutions, however, receive an average grade, with state and local funding per completion ($38,495) slightly above the national median of $35,476.

Meeting Labor Market Demand

The median wage of an Illinois bachelor's degree holder is $22,000 (or 67%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is $9,000 (or 27%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

Overall, Illinois gets low marks in this area. The state receives an average score for its consumer information and public accountability resources but does not measure student learning or track student labor market outcomes at the four-year level. The Illinois Community College Board does have a series of reports on the percentage of system graduates who are employed, along with their job retention rate.

Policy Environment

Illinois' strategic plan compares the state's current status with other states and has a goal for student learning outcomes. The state is also moving forward on outcomes-based funding via a recently passed law; however, the funding system won't go into effect until 2013. The Illinois Articulation Initiative permits students to transfer a package of general education classes and search for individual courses.

Innovation

The Illinois Virtual Campus portal includes individual classes and degree programs at public and private colleges across the state, though it lacks clarity about the transferability of online credits. Regarding new providers, Illinois has a highly restrictive regulatory environment, resulting in a very low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

State Overall	
Policy Environment	B
Innovation: Online Learning	C
Innovation: Openness to Providers	F

INDIANA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	14
Number of Public Two-Year Institutions	15
Number of Students Served by Public Four-Year Institutions	155,079
Number of Students Served by Public Two-Year Institutions	82,263

Student Access & Success

Indiana's four-year institutions' completion rate, retention rate, and the percentage of undergraduates receiving Pell Grants are all near the national medians. Indiana's two-year institutions have a high percentage of Pell recipients, but the state's credentials produced per 100 full-time equivalent undergraduates, completion rate, and retention rate are all near the bottom nationally, resulting in the state's low grade.

Efficiency & Cost-Effectiveness

Indiana's four-year institutions' state and local funding per completion ($40,260) is below the national median of $41,198, though the state's cost per completion ($85,833) is in the bottom five nationally. Indiana's two-year institutions fare much better, with a cost per completion ($45,417) and state and local funding per completion ($27,439) both in the top third nationally.

Meeting Labor Market Demand

The median wage of an Indiana bachelor's degree holder is approximately $16,800 (or 53%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is $8,000 (or 25%) more than the median wage of a high school graduate; the overall unemployment rate is about 3.5 points lower.

Transparency & Accountability

Indiana gets average marks in this area. The state's consumer information site, "Learn More Indiana," links directly to each institution's National Center for Education Statistics College Navigator profile, allowing consumers to access student outcomes and net price information for each school. The state does not measure student learning outcomes, though the Indiana Workforce Intelligence System tracks labor market outcomes for all state public college and university graduates.

Policy Environment

The state's "Reaching Higher" plan has clear goals, often comparing with other states, concerning a number of student outcomes and efficiency issues. Indiana also has an outcomes-based funding system. Institutions are funded based on seven priorities, and roughly 6% to 7% of an institution's base funding is at stake. Transfer Indiana is a core transfer library that shows students which classes will transfer among all Indiana's public campuses.

Innovation

The Indiana College Network is a strong effort to promote online learning that provides access to online offerings across campuses in the state and facilitates transfer of online credit across institutions. Regarding new providers, Indiana asserts minimal regulatory jurisdiction and approval fees are low, but its approval process is fairly burdensome compared with other states, contributing to an overall average grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	B
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	C

State Overall	
Policy Environment	A
Innovation: Online Learning	A
Innovation: Openness to Providers	C

IOWA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	3
Number of Public Two-Year Institutions	16
Number of Students Served by Public Four-Year Institutions	53,982
Number of Students Served by Public Two-Year Institutions	73,578

Student Access & Success

Iowa's four-year institutions' performance places the state in the top 10 nationally for completion and retention rates, although the state is near the bottom in the percentage of undergraduates receiving Pell Grants. Iowa's two-year institutions have a completion rate in the top 10, and its credentials produced per 100 full-time equivalent undergraduates and the percentage of Pell recipients are both above average.

Efficiency & Cost-Effectiveness

Iowa receives a low grade (four-years) and middling grade (two-years) in this area. The state's four-year cost per completion ($74,426) is above the national median of $68,140, while the two-year cost per completion ($53,755) is below the national median at $57,210.

Meeting Labor Market Demand

The median wage of an Iowa bachelor's degree holder is approximately $14,500 (or 46%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3 points lower. The median wage of an associate's degree holder is approximately $6,500 (or 21%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Iowa receives a below average score for its consumer information and public accountability resources. The state does not measure student learning outcomes, nor does it track labor market outcomes at the four-year level. The Iowa community college system does provide details on the wages of system graduates as a part of its annual report.

Policy Environment

Iowa gets an average mark in this area. The Iowa Board of Regents' strategic plan includes goals concerning student outcomes and efficiency, measured in explicit targets. The "Transfer in Iowa" website helps students navigate which individual classes transfer. The state does not have an outcomes-based funding system.

Innovation

The "Iowa Learns" distance learning catalog, a collaborative effort between Iowa Public Television and the state's universities, provides access to online courses; however, the portal does not include full degree programs. In addition, seven of the state's community colleges have partnered to create the Online Learning Consortium. The Iowa Board of Regents has a specific goal to increase student enrollment in distance education by 15% by 2016. Regarding new providers, Iowa has fairly burdensome licensure fees and approval processes.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	B
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	D

KANSAS

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	7
Number of Public Two-Year Institutions	25
Number of Students Served by Public Four-Year Institutions	67,313
Number of Students Served by Public Two-Year Institutions	57,721

Student Access & Success

Kansas' four-year institutions have middling completion and retention rates and percentage of undergraduates receiving Pell Grants. However, Kansas' two-year institutions have a completion rate in the top 10 nationally and above average credentials produced per 100 full-time equivalent undergraduates.

Efficiency & Cost-Effectiveness

Kansas' four-year cost per completion ($66,330) and two-year cost per completion ($60,266) both fall in the middle third of all states nationally. State and local funding per completion for the four-year sector ($42,741) also scores very near the national median of $41,198.

Meeting Labor Market Demand

The median wage of a Kansas bachelor's degree holder is approximately $18,100 (or 59%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3.5 points lower. The median wage of an associate's degree holder is approximately $6,300 (or 21%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

Kansas receives an average score for its public accountability resources but receives an overall low grade in this area. While there is an explicit goal in the state's plan to have each institution report on learning outcomes assessments by 2014, so far only a few individual institutions are doing so. Kansas does not track student labor market outcomes.

Policy Environment

The Kansas Board of Regents plan includes targeted goals, including for student outcomes. The state also has a small outcomes-based funding formula based on performance agreements each institution has signed with the Kansas Board of Regents concerning a broad range of outcomes metrics; however, the metrics are broad and it is easy to earn full funding.

Innovation

While degree programs are offered online, there is no statewide portal for individual courses or a clearly targeted goal for online learning in Kansas. Regarding new providers, Kansas has a highly restrictive regulatory jurisdiction, financial and approval process burden.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	B
Innovation: Online Learning	D
Innovation: Openness to Providers	F

KENTUCKY

COMMONWEALTH FACTS AT A GLANCE	
Number of Public Four-Year Institutions	8
Number of Public Two-Year Institutions	16
Number of Students Served by Public Four-Year Institutions	86,697
Number of Students Served by Public Two-Year Institutions	57,502

Student Access & Success

At the four-year level, Kentucky's retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates are all well below the national medians. Kentucky's two-year institutions perform much better, with top-10 rankings on credentials produced per 100 full-time equivalent undergraduates and percentage of Pell recipients.

Efficiency & Cost-Effectiveness

Kentucky receives a low grade in this area for four-year institutions, with state and local funding per completion ($54,504) falling in the bottom 10 states. Kentucky's two-year institutions, however, are on the opposite end of the spectrum, with a cost per completion ($38,141) and state and local funding per completion ($19,538) in the top 10 nationally.

Meeting Labor Market Demand

The median wage of a Kentucky bachelor's degree holder is approximately $17,300 (or 59%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $8,500 (or 29%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Kentucky receives an average score for its consumer information and public accountability resources. While the commonwealth does not track student labor market outcomes, students at both four- and two-year institutions are tested using the Collegiate Assessment of Academic Proficiency; results are not made public.

Policy Environment

Kentucky gets an average mark for its policy environment. Its strategic agenda includes performance metrics (degrees conferred and graduation rates) but lacks hard targets. The commonwealth's articulation and credit transfer system is very good, with a clearly-defined policy, the ability to transfer individual courses, and common course numbering in the Kentucky Community and Technical College System. Kentucky does not have an outcomes-based funding system.

Innovation

Kentucky receives above average marks for its efforts to support online learning, with the Kentucky Virtual Campus portal offering full degree programs and individual courses online, and the Kentucky Community and Technical College System Online portal covering the commonwealth's community and technical colleges. Regarding new providers, Kentucky's regulatory environment is quite restrictive, resulting in a very low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	D
Transparency & Accountability	C

State	
Policy Environment	C
Innovation: Online Learning	B
Innovation: Openness to Providers	F

LOUISIANA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	14
Number of Public Two-Year Institutions	22
Number of Students Served by Public Four-Year Institutions	108,594
Number of Students Served by Public Two-Year Institutions	53,114

Student Access & Success

Louisiana's four-year institutions receive a very low grade in this area, ranking in the bottom 10 in credentials produced per 100 full-time equivalent undergraduates, completion rate, and retention rate. Louisiana's two-year institutions receive an average grade, with a relatively high credentials produced per 100 full-time equivalent undergraduates and percentage of Pell recipients, but low completion and retention rates.

Efficiency & Cost-Effectiveness

Louisiana receives an average grade in this area for four-year institutions, with a cost per completion ($69,951) just above the national median of $68,140. Louisiana's two-year institutions fare slightly better, with a cost per completion ($46,326) and state and local funding per completion ($23,971) in the top third of states nationally.

Meeting Labor Market Demand

The median wage of a Louisiana bachelor's degree holder is approximately $15,700 (or 52%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $9,000 (or 30%) more than the median wage of a high school graduate; the overall unemployment rate is 3 points lower.

Transparency & Accountability

Louisiana receives a below average score for its consumer information and public accountability resources. The state's 2011 *Employment Outcomes Report* looks at employment rates and salaries for graduates, broken down by field of study but not by individual institutions. Louisiana does not measure student learning outcomes.

Policy Environment

Louisiana's 2011 master plan has hard targets for a number of the state's goals, including student outcomes and system efficiency. Fifteen percent of any state institution's funding is based on six-year performance agreements concerning institution-specific outcomes. Louisiana has a clear articulation policy that includes a course equivalency matrix for individual course transfer.

Innovation

The Louisiana Electric Campus provides access to information about the individual courses and programs that are available online, and the state has a goal to broadly promote distance learning. Regarding new providers, Louisiana is likely to assert regulatory jurisdiction over most cross-border providers and has an onerous approval process, resulting in a low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	A
Innovation: Online Learning	C
Innovation: Openness to Providers	D

MAINE

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	8
Number of Public Two-Year Institutions	7
Number of Students Served by Public Four-Year Institutions	23,012
Number of Students Served by Public Two-Year Institutions	11,110

Student Access & Success

Maine's four-year institutions receive an average grade in this category, with a relatively high percentage of undergraduates receiving Pell Grants but below average retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates. Maine's two-year institutions receive a good grade, with a completion rate and credentials produced per 100 full-time equivalent undergraduates that rank in the top third of states.

Efficiency & Cost-Effectiveness

Maine receives a low grade in this area for four-year institutions, with a cost per completion ($78,549) and state and local funding per completion ($51,501) that rank in the bottom third of all states nationally. Maine's two-year institutions receive an average grade, with a cost per completion ($56,834) and state and local funding per completion ($31,934) both slightly below the national medians of $57,210 and $35,476, respectively.

Meeting Labor Market Demand

The median wage of a Maine bachelor's degree holder is approximately $14,500 (or 48%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $7,100 (or 23%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

Maine receives very low scores for its consumer information and public accountability resources. The state neither tracks student labor market outcomes, nor does it measure student learning.

Policy Environment

Maine gets a very low mark for its policy environment. The state's higher education plan for four-year institutions includes hard targets concerning student outcomes and goals for system efficiency. However, there is no comparable plan for the two-year system. The state does not use outcomes-based funding, and it is one of just a handful of states with no statewide articulation and credit transfer system.

Innovation

The "Online.Maine" portal provides information on the online programs and courses available at public institutions across the state, but Maine's goals do not feature support for online learning and the portal lacks clarity about the transferability of online credits. Regarding new providers, the state's regulatory environment is less restrictive than most states, with low licensure fees and a low regulatory trigger.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	F

State	
Policy Environment	F
Innovation: Online Learning	C
Innovation: Openness to Providers	B

MARYLAND

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	16
Number of Students Served by Public Four-Year Institutions	99,304
Number of Students Served by Public Two-Year Institutions	90,929

Student Access & Success

Maryland's four-year institutions receive a good grade in this area, ranking in the top 15 for retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates. Maryland's two-year institutions, however, receive a poor grade despite a relatively high retention rate, the state is in the bottom third nationally in both completion rate and the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

Maryland receives a very good grade in this area for four-year institutions, with a cost per completion ($52,722) and state and local funding per completion ($30,848) ranking in the top third of all states. Maryland's two-year institutions, however, receive a low grade, with a cost per completion ($69,910) and state and local funding per completion ($44,932) in the bottom third nationally.

Meeting Labor Market Demand

The median wage of a Maryland bachelor's degree holder is approximately $24,400 (or 67%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $14,000 (or 38%) more than the median wage of a high school graduate; the overall unemployment rate is about 3.5 points lower.

Transparency & Accountability

Maryland receives below average scores for its consumer information and public accountability resources. The state neither tracks student labor market outcomes, nor does it measure student learning.

Policy Environment

Maryland's state plan does not have any goals for student outcomes or system efficiency. The state does have a strong articulation policy; the Articulation System for Maryland Colleges and Universities lists course equivalencies for each institution. The state does not use outcomes-based funding.

Innovation

The "Maryland Online" website provides information about online programs and courses available at the state's four- and two-year institutions, but information about the transfer of online credits is more difficult to come by. Maryland also features the largest public online university—University of Maryland University College—in the country, but the state does not have a clear goal concerning online learning. Regarding new providers, cross-border institutions are unlikely to trigger the regulatory process in Maryland, but once they do the state's approval process is quite burdensome and features high licensure fees.

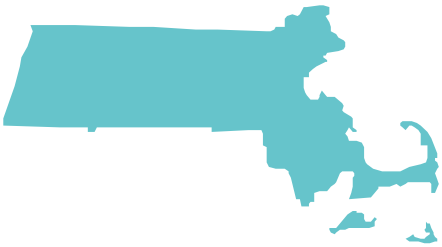
REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	B
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	A
Transparency & Accountability	D

State	
Policy Environment	D
Innovation: Online Learning	C
Innovation: Openness to Providers	D

MASSACHUSETTS



COMMONWEALTH FACTS AT A GLANCE	
Number of Public Four-Year Institutions	13
Number of Public Two-Year Institutions	16
Number of Students Served by Public Four-Year Institutions	82,574
Number of Students Served by Public Two-Year Institutions	67,336

Student Access & Success

Massachusetts' four-year institutions receive average grades in this area, with a middling retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates. The commonwealth's two-year institutions receive a poor grade, with a below average completion rate and percentage of students receiving Pell Grants.

Efficiency & Cost-Effectiveness

Massachusetts receives an average grade in this area for four-year institutions, with a cost per completion ($65,047) and state and local funding per completion ($35,801) both below the national medians of $68,140 and $41,198, respectively. The commonwealth's two-year institutions have a cost per completion ($56,519) and state and local funding per completion ($29,448) in the middle third of all states nationally.

Meeting Labor Market Demand

The median wage of a Massachusetts bachelor's degree holder is approximately $21,000 (or 54%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's holder is approximately $8,600 (or 22%) more than the median wage of a high school graduate; the overall unemployment rate is about 3.5 points lower.

Transparency & Accountability

Massachusetts performs poorly overall in this area. While the commonwealth receives an average score for its consumer information and public accountability resources, Massachusetts does not measure student learning outcomes or link labor market outcomes to postsecondary programs.

Policy Environment

Massachusetts gets an average mark for its policy environment. The commonwealth's 2010 "Vision Project" plan has five key outcomes, including college completion and student learning. The Vision Project also includes a small $7.5 million Performance Incentive Fund that allows each institution to compete based on its pursuit of Vision Project goals, though this is a one-time "add-on" to an institution's base funding. Massachusetts' articulation plan allows a student to transfer an associate's degree in full, but individual courses will transfer only if they are comparable in scope.

Innovation

The Massachusetts Colleges Online portal serves as a central clearinghouse for information about online programs and courses available at 15 community colleges and nine state colleges. The commonwealth does not have a clear goal for online learning. Regarding new providers, Massachusetts' regulatory environment is highly restrictive across the board, creating barriers to new providers and the students who would like to enroll with them.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	F

MICHIGAN

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	15
Number of Public Two-Year Institutions	29
Number of Students Served by Public Four-Year Institutions	209,198
Number of Students Served by Public Two-Year Institutions	183,569

Student Access & Success

Michigan's four-year institutions receive a good grade in this area, ranking in the top 15 of all states in completion and retention rates. Michigan's two-year institutions receive an average score, with a relatively high percentage of undergraduates receiving Pell Grants and retention rate offsetting a relatively low completion rate.

Efficiency & Cost-Effectiveness

Michigan receives an average grade in this area for four-year institutions. Despite a cost per completion ($73,156) above the national median of $68,140, state and local funding per completion ($29,362) ranks in the top 10 states nationally. The state's two-year institutions also receive a middling mark with a cost per completion ($57,585) and state and local funding per completion ($39,419) in the middle third of all states nationally.

Meeting Labor Market Demand

The median wage of a Michigan bachelor's degree holder is approximately $22,400 (or 73%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 8 points lower. The median wage of an associate's degree holder is approximately $10,200 (or 33%) more than the median wage of a high school graduate; the overall unemployment rate is about 6 points lower.

Transparency & Accountability

Michigan receives very low scores in this category. The state's consumer information and public accountability resources do not contain information on student outcomes. The state neither tracks student labor market outcomes, nor does it measure student learning.

Policy Environment

Michigan receives a very low grade in this category. The state does not have a strategic plan for higher education, outcomes-based funding, or a statewide articulation and credit transfer agreement.

Innovation

The Michigan Community College Association's Virtual Learning Collaborative enables students to take courses online from any participating community college while receiving student services and financial aid at their home campus. There is nothing comparable for four-year institutions. Regarding new providers, cross-border providers are unlikely to trigger the regulatory process, and licensure fees are low. Once triggered, the approval process is fairly burdensome.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	A
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	A
Transparency & Accountability	F

State	
Policy Environment	F
Innovation: Online Learning	D
Innovation: Openness to Providers	B

MINNESOTA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	29
Number of Students Served by Public Four-Year Institutions	100,895
Number of Students Served by Public Two-Year Institutions	96,174

Student Access & Success

Minnesota's four-year institutions receive an average grade in this area, slightly above the national medians in completion and retention rates, and slightly below the national medians in credentials produced per 100 full-time equivalent undergraduates and the percentage of undergraduates receiving Pell Grants. Minnesota's two-year institutions receive a good grade, with credentials produced per 100 full-time equivalent undergraduates and completion rate placing Minnesota among the top 15 states.

Efficiency & Cost-Effectiveness

Minnesota receives an average grade in this area for four-year institutions, with a cost per completion ($74,564) and state and local funding per completion ($48,802) in the middle third of states nationally. The state's two-year institutions fare slightly better, with a cost per completion ($48,507) and state and local funding per completion ($24,368) both in the top third of all states nationally.

Meeting Labor Market Demand

The median wage of a Minnesota bachelor's degree holder is $19,000 (or 54%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 3 points lower. The median wage of an associate's degree holder is $7,000 (or 20%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Minnesota receives good marks in this area. The Minnesota State Colleges & Universities (MNSCU) Accountability Dashboard and *Minnesota Measures* report provide information on student learning and labor market outcomes. The state has used a variety of assessments for student learning and reports Collegiate Assessment of Academic Proficiency scores for four-year institutions. Finally, the state-sponsored iSeek career and education resource allows program comparison at each Minnesota institution, detailing employment rates and wages.

Policy Environment

Minnesota gets a good mark for its policy environment. MNSCU has a very small outcomes-based funding system, with 1% of an institution's budget based on institutional performance. The Minnesota Transfer portal aids in transferring individual courses.

Innovation

Minnesota's initiative to promote access to online learning at its state institutions (Minnesota Online) is one of the top efforts in the country. The system provides information about online learning opportunities at 31 four- and two-year institutions, offering clear information about the transfer of online credits. Regarding new providers, Minnesota has one of the more restrictive regulatory environments in the country, with a very burdensome approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	D
Transparency & Accountability	A

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	B

State	
Policy Environment	B
Innovation: Online Learning	A
Innovation: Openness to Providers	F

MISSISSIPPI

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	8
Number of Public Two-Year Institutions	15
Number of Students Served by Public Four-Year Institutions	55,415
Number of Students Served by Public Two-Year Institutions	71,174

Student Access & Success

Mississippi's four-year institutions receive a good grade in this area, with a top five ranking in the percentage of undergraduates receiving Pell Grants though slightly below average scores in credentials produced per 100 full-time equivalent undergraduates and completion rate. Mississippi's two-year institutions also receive a good grade, with a relatively high percentage of Pell recipients and above average scores in completion and retention rates.

Efficiency & Cost-Effectiveness

Mississippi receives average grades in this area. The state's four-year cost per completion ($63,846) is below the national median of $68,140, though state and local funding per completion ($45,999) is above the national median ($41,198). For the state's two-year institutions, cost per completion ($59,418) is right above the national median of $57,210.

Meeting Labor Market Demand

The median wage of a Mississippi bachelor's degree holder is approximately $14,200 (or 53%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $8,200 (or 30%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

Mississippi's consumer information site and public accountability report do not contain information on student outcomes. The state neither tracks student labor market outcomes, nor does it measure student learning.

Policy Environment

Mississippi's state goals do not include information on student outcomes or system efficiency, nor does the state have an outcomes-based funding system. However, the state articulation system allows students to transfer an associate's degree in full, and there is a lengthy list of individual courses that transfer between public institutions.

Innovation

Although Mississippi's public universities offer online degree programs, there is nothing comparable for two-year institutions, nor is there a state goal for online learning. Regarding new providers, Mississippi has minimal financial burdens but a fairly arduous approval process and a fairly sensitive regulatory trigger, resulting in a middling overall grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	A
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	F
Innovation: Openness to Providers	C

MISSOURI

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	13
Number of Public Two-Year Institutions	26
Number of Students Served by Public Four-Year Institutions	96,826
Number of Students Served by Public Two-Year Institutions	77,724

Student Access & Success

Missouri receives average scores in this area, with both its four- and two-year systems scoring near the national medians in credentials produced per 100 full-time equivalent undergraduates, completion rate, retention rate, and the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

Missouri receives middling marks in this area. The state's four-year cost per completion ($64,242) and state and local funding per completion ($38,252) are both slightly below the national medians at $68,140 and $41,198, respectively. The state's two-year institutions have a cost per completion ($61,122) above the national median at $57,210 and a low state and local funding per completion figure ($36,610).

Meeting Labor Market Demand

The median wage of a Missouri bachelor's degree holder is approximately $16,400 (or 54%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 5 points lower. The median wage of an associate's degree holder is approximately $8,200 (or 27%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

Missouri gets low marks in this area. Missouri receives an average score for its consumer information and public accountability resources. The state does assess student learning using national measures (such as the Collegiate Assessment of Academic Proficiency, Collegiate Learning Assessment, Motivational Assessment of Personal Potential, depending on the institution), but results are not public. The state does not track student labor market outcomes.

Policy Environment

Missouri's coordinated plan for higher education includes goals for student outcomes and system efficiency. While the state had a system of outcomes-based funding a decade ago, it was dropped for budgetary reasons. Missouri's articulation policy allows students a 42-credit block of general education courses but there is no system in place to clarify what those classes are.

Innovation

Some of Missouri's public institutions offer online degree programs, but the state has not created a central clearinghouse to provide information about virtual learning opportunities. The state has a goal to increase online learning but no specific targets for enrollments or offerings. Regarding new providers, Missouri's licensure fees are low, but the state has a sensitive regulatory trigger and a burdensome approval process, resulting in an overall low grade.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	D
Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D
State	
Policy Environment	C
Innovation: Online Learning	D
Innovation: Openness to Providers	D

MONTANA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	6
Number of Public Two-Year Institutions	7
Number of Students Served by Public Four-Year Institutions	28,387
Number of Students Served by Public Two-Year Institutions	7,017

Student Access & Success

Montana's four-year institutions receive a low grade in this area, falling in the bottom 10 in retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates. Montana's two-year institutions receive a better grade, with a relatively a high completion rate and credentials produced per 100 full-time equivalent undergraduates.

Efficiency & Cost-Effectiveness

Montana receives an average grade in this area for four-year institutions, with a cost per completion ($71,840) and state and local funding per completion ($37,131) in the middle third of all states. Montana's two-year institutions fare slightly worse, with a cost per completion of $69,175, in the bottom 10 states nationally.

Meeting Labor Market Demand

The median wage of a Montana bachelor's degree holder is approximately $10,600 (or 35%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 3 points lower. The median wage of an associate's degree holder is approximately $4,600 (or 15%) more than the median wage of a high school graduate; the overall unemployment rate is nearly identical (about 0.2 points lower).

Transparency & Accountability

Montana gets an average score for its consumer information and public accountability resources, but overall Montana has low performance in this area. The state does not measure student learning outcomes, but recent Montana University System (MUS) issue briefs track labor market outcomes.

Policy Environment

Montana gets a middling grade for its policy environment. The state's articulation and credit transfer system uses a clear course equivalency guide and common course numbering to facilitate transfers. The MUS strategic plan has goals concerning student outcomes, including student labor market success and system efficiency. The state does not have an outcomes-based funding system.

Innovation

The MUS Online portal includes degree programs and individual courses from both four- and two-year institutions, and the state has enunciated a broad goal to expand distance learning programs. Regarding new providers, Montana's regulatory trigger is more sensitive than most, but the state has low licensure fees and a simple, straightforward approval process.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	F
Transparency & Accountability	D
Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	F
Transparency & Accountability	D
State	
Policy Environment	C
Innovation: Online Learning	B
Innovation: Openness to Providers	B

NEBRASKA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	6
Number of Public Two-Year Institutions	7
Number of Students Served by Public Four-Year Institutions	38,946
Number of Students Served by Public Two-Year Institutions	35,084

Student Access & Success

Nebraska's four-year institutions receive an average grade in this area, scoring near the national median on retention and completion rates, as well as on the number of credentials produced per 100 full-time equivalent and the percentage of undergraduates receiving Pell Grants. Nebraska's two-year institutions receive a good grade, ranking in the top 15 states on both completion and retention rates.

Efficiency & Cost-Effectiveness

Nebraska's four-year institutions receive an average grade in this area with a cost per completion of $62,804 and a state and local funding per completion of $49,589. Nebraska's two-year institutions fare worse with a cost per completion ($58,058) that is slightly above the national median of $57,210 and a state and local funding per completion ($47,598) that falls in the bottom 15 states.

Meeting Labor Market Demand

The median wage of a Nebraska bachelor's degree holder is approximately $15,200 (or 50%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 2.5 points lower. The median wage of an associate's degree holder is approximately $5,200 (or 17%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Nebraska receives low marks overall, despite an average score for its consumer information and public accountability resources. The state does not measure student learning outcomes, but both four- and two-year systems do release frequent reports tracking graduate labor market performance by institution.

Policy Environment

Nebraska's state plan does not have hard targets or goals for student outcomes beyond graduation rates. The state does not have outcomes-based funding or an official statewide articulation and credit transfer policy.

Innovation

The University of Nebraska offers degree programs online via its Online Worldwide campus, but there is no resource that provides information about individual online courses for either universities or community colleges. Regarding new providers, Nebraska asserts minimal jurisdiction but has a highly burdensome approval process, resulting in a middling grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	F
Innovation: Online Learning	D
Innovation: Openness to Providers	C

NEVADA

STATE FACTS AT A GLANCE

Number of Public Four-Year Institutions	3
Number of Public Two-Year Institutions	4
Number of Students Served by Public Four-Year Institutions	33,692
Number of Students Served by Public Two-Year Institutions	37,361

Student Access & Success

Nevada receives a very low grade in this category for both four- and two-year institutions. The four-year institutions rank in the bottom 10 states in terms of completion rate and the percentage of undergraduates receiving Pell Grants. The two-year institutions, despite having a retention rate in the top 10 states, ranked near the bottom on completion rates, credentials produced per 100 full-time equivalent undergraduates, and the percentage of Pell recipients.

Efficiency & Cost-Effectiveness

Nevada receives an average grade for four-year institutions and a low grade for two-year institutions in this area, with costs per completion ($73,706 for four-years and $76,483 for two-years) above the national medians of $68,140 and $57,210, respectively. State and local funding per completion for both four- and two-year sectors ($47,495 and $44,577, respectively) are also above the national medians of $41,198 and $35,476.

Meeting Labor Market Demand

The median wage of a Nevada bachelor's degree holder is about $17,500 (or 54%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 5 points lower. The median wage of an associate's degree holder is about $9,500 (or 29%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

Nevada receives a below average score for its consumer information and public accountability resources. The state does not measure student learning.

Policy Environment

The Nevada System of Higher Education (NSHE) plan includes goals for student outcomes, including student learning, and particularly strong goals for system efficiency. However, the goals are not expressed with concrete targets. Nevada's state articulation and credit transfer policy allows students to transfer an associate's degree in full but is much less clear on individual courses. The state does not have an outcomes-based funding system.

Innovation

The NSHE used to have a clearinghouse for online learning offerings, but it has been closed down. Individual Nevada campuses—such as Nevada State College—are doing innovative work in online learning, but there is little coordination across the state. Regarding new providers, Nevada has low licensure fees but a sensitive regulatory trigger and a burdensome approval process, resulting in a below average grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	D
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	C
Innovation: Online Learning	F
Innovation: Openness to Providers	D

NEW HAMPSHIRE

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	5
Number of Public Two-Year Institutions	7
Number of Students Served by Public Four-Year Institutions	24,876
Number of Students Served by Public Two-Year Institutions	6,092

Student Access & Success

New Hampshire's four-year institutions receive an average grade in this area, ranking in the top 10 states for completion and retention rates but a low percentage of undergraduates receiving Pell Grants. New Hampshire's two-year institutions also receive an average grade, with a retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates in the top third, but a low percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

New Hampshire receives a very good grade in this area for four-year institutions, with state and local funding per completion ($19,779) in the top five states. New Hampshire's two-year institutions receive an above average grade, with a cost per completion of $52,899 and a state and local funding per completion of $22,134.

Meeting Labor Market Demand

The median wage of a New Hampshire bachelor's degree holder is $19,000 (or 53%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3.5 points lower. The median wage of an associate's degree holder is $9,000 (or 25%) more than the median wage of a high school graduate; the overall unemployment rate is 2 points lower.

Transparency & Accountability

New Hampshire receives a good score for its four-year public accountability resource but low scores overall. The state does not track student labor market outcomes, nor does it measure student learning.

Policy Environment

The University System of New Hampshire's goals are more a list of broad priorities and do not include goals for student outcomes or efficiency. The state utilizes a credit transfer portal, allowing students to search for individual course equivalencies. New Hampshire does not have an outcomes-based funding system.

Innovation

The Community College System of New Hampshire has an online portal for degree programs at two-year colleges, but there is nothing comparable for the University System of New Hampshire. The University of New Hampshire does feature online degree programs and courses. The state's higher education goals do not feature online learning. Regarding new providers, New Hampshire's regulatory framework is among the most restrictive in the country.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	D
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	F
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	D
Innovation: Openness to Providers	F

NEW JERSEY

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	13
Number of Public Two-Year Institutions	19
Number of Students Served by Public Four-Year Institutions	117,847
Number of Students Served by Public Two-Year Institutions	131,289

Student Access & Success

New Jersey's four-year institutions receive a very good grade in this category, with a retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates all in the top 10 states. New Jersey's two-year institutions receive a below average grade, with relatively low scores on completion rates, credentials produced per 100 full-time equivalent undergraduates, and the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

New Jersey receives good grades in this area, with costs per completion ($59,649 for four-years and $47,612 for two-years) and state and local funding per completion ($33,956 for four-years and $24,032 for two-years) for both sectors all ranking in the top third of states nationally.

Meeting Labor Market Demand

The median wage of a New Jersey bachelor's degree holder is $26,000 (or 68%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is $12,000 (or 32%) more than the median wage of a high school graduate; the overall unemployment rate is about 2.5 points lower.

Transparency & Accountability

Overall, New Jersey gets a low grade in this area. The state, per a statute explicitly geared to promoting consumer information, releases annual profiles of all New Jersey public colleges and universities, which include graduation rates. However, the state does not track student labor market outcomes, nor does it measure student learning.

Policy Environment

The state higher education plan has goals for student outcomes, with hard targets for certain goals. New Jersey utilizes a credit transfer portal, allowing students to search for individual course equivalencies. The state does not have an outcomes-based funding system.

Innovation

The New Jersey Virtual Community College Consortium aggregates information about online courses and degree programs at two-year institutions, and the New Jersey Department of Higher Education provides links to online opportunities across all public institutions. However, the state does not provide information on four-year individual online courses and lacks clarity about the transferability of online credits. Regarding new providers, New Jersey is among the more open states in the country, with low licensure fees and a moderately burdensome approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	C
Innovation: Online Learning	D
Innovation: Openness to Providers	B

NEW MEXICO

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	6
Number of Public Two-Year Institutions	19
Number of Students Served by Public Four-Year Institutions	38,465
Number of Students Served by Public Two-Year Institutions	50,921

Student Access & Success

New Mexico's four-year institutions receive a poor grade in this area, falling in the bottom 10 in retention rate, completion rate, and credentials produced per 100 full-time equivalent undergraduates. New Mexico's two-year institutions receive a very low grade in this area, scoring in the bottom third in all three previously mentioned metrics as well as the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

New Mexico receives low grades in this area, with four-year state and local funding per completion ($82,653) almost double the national median of $41,198, ranking in the bottom five states. For two-year institutions, both cost per completion ($67,621) and state and local funding per completion ($61,433) rank in the bottom third of all states.

Meeting Labor Market Demand

The median wage of a New Mexico bachelor's degree holder is approximately $16,300 (or 55%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3.5 points lower. The median wage of an associate's degree holder is approximately $7,500 (or 26%) more than the median wage of a high school graduate; the overall unemployment rate is just 1 point lower.

Transparency & Accountability

New Mexico receives a low score for its consumer information and public accountability resources, contributing to its overall poor performance. The state does not track graduate performance in the labor market. However, institutions do measure general education learning outcomes, although they use internal assessments, not national ones.

Policy Environment

New Mexico's plan for higher education does not include goals concerning student outcomes or efficiency. However, in 2013 the state will start gradually using outcomes-based funding, with $13.6 million of the state's higher education budget set aside for statewide outcome measures. The state also has a strong articulation and credit transfer policy, including a General Education Core Transfer Module, which uses a common course numbering system to show how general education courses will transfer between institutions.

Innovation

The Innovative Digital Education and Learning-New Mexico (IDEAL-NM) is an effort to coordinate online learning efforts across the state's public colleges and universities, though it lacks clarity about the transferability of online credits. Regarding new providers, New Mexico's regulatory environment is highly restrictive across the board, creating barriers to innovative institutions and students who seek to enroll with them.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	F
Two-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	F
Transparency & Accountability	D
State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	F

NEW YORK

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	31
Number of Public Two-Year Institutions	43
Number of Students Served by Public Four-Year Institutions	248,041
Number of Students Served by Public Two-Year Institutions	281,996

Student Access & Success

New York's four-year institutions receive a good grade in this area, with both retention rates and the percentage of undergraduates receiving Pell Grants scoring in the top 10 nationally. The state's two-year institutions receive an average grade, with the percentage of students receiving Pell Grants and completion rate both in the middle third of all states.

Efficiency & Cost-Effectiveness

New York receives a good grade for four-year institutions and an average grade for two-year institutions in this area, with four- and two-year costs per completion ($59,787 and $52,896, respectively) and state and local funding per completion ($44,152 and $33,386, respectively) that rank in the middle third of states.

Meeting Labor Market Demand

The median wage of a New York bachelor's degree holder is approximately $22,600 (or 66%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 1.5 points lower. The median wage of an associate's degree holder is about $8,600 (or 25%) more than the median wage of a high school graduate; the overall unemployment rate is about 1 point lower.

Transparency & Accountability

Overall, New York receives below average marks in this area. While the consumer information and public accountability sources for the state do not include student outcomes information, the State University of New York (SUNY) system does provide a useful net price calculator for incoming students. New York does not track graduate labor market outcomes. Both the SUNY and City University of New York (CUNY) systems have very broad programs in place to measure student learning, although it's unclear which assessments are being used and whether the results will be public.

Policy Environment

The New York plan has goals for student outcomes but not for system efficiency. The state does not have an outcomes-based funding system. And while the state's articulation and credit transfer policy allows students to transfer individual courses, it comes with the caveat that, "Final determination of transfer credit acceptance is ultimately made by the campus registrar."

Innovation

The SUNY Learning Network is a robust and easy to use portal displaying online degree programs and individual courses that are available across the state, and the state has a broad goal of expanding online learning. The CUNY system has created a pathway for students to take high-demand education courses online. Regarding new providers, New York is among the most open states in the country, earning the state an above average grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	D
Transparency & Accountability	D

State	
Policy Environment	D
Innovation: Online Learning	B
Innovation: Openness to Providers	B

NORTH CAROLINA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	16
Number of Public Two-Year Institutions	59
Number of Students Served by Public Four-Year Institutions	168,156
Number of Students Served by Public Two-Year Institutions	212,211

Student Access & Success

North Carolina's four-year institutions receive a good grade in this area, ranking above the national medians in retention rate, completion rate, and the percentage of undergraduates receiving Pell Grants. North Carolina's two-year institutions receive an average grade, brought down in particular by a low credentials produced per 100 full-time equivalent undergraduates score.

Efficiency & Cost-Effectiveness

North Carolina receives a very low grade for four-year institutions, with a cost per completion ($83,224) and state and local funding per completion ($65,107) that rank in the bottom 10 states. North Carolina's two-year institutions also fare poorly, with a cost per completion ($62,533) and state and local funding per completion ($47,050), both well above the national medians of $57,210 and $35,476, respectively.

Meeting Labor Market Demand

The median wage of a North Carolina bachelor's degree holder is approximately $18,500 (or 63%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 5.5 points lower. The median wage of an associate's degree holder is approximately $8,500 (or 29%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

North Carolina receives average grades with a good score for its consumer information and public accountability resources. The state does not measure student learning outcomes, but the North Carolina Education and Training Consumer Guide provides employment and earnings information for graduates of the University of North Carolina (UNC) and North Carolina Community College System (NCCCS) via a searchable portal.

Policy Environment

The UNC and NCCCS' "SuccessNC" plan has targeted goals for student outcomes for both systems. While the UNC system does not have outcomes-based funding, the NCCCS does have a small incentive-funding program. The state's articulation agreement allows students to transfer individual courses.

Innovation

Both the UNC and NCCCS systems have robust online learning efforts that provide information on degree programs and individual courses. UNC-Online provides students with access to "e-mentors." Regarding new providers, North Carolina has one of the most restrictive regulatory environments in the country, featuring high licensure fees and a burdensome approval process.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	C
Transparency & Accountability	C
Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	C
State	
Policy Environment	C
Innovation: Online Learning	B
Innovation: Openness to Providers	F

NORTH DAKOTA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	6
Number of Public Two-Year Institutions	5
Number of Students Served by Public Four-Year Institutions	27,318
Number of Students Served by Public Two-Year Institutions	7,435

Student Access & Success

North Dakota's four-year institutions receive a low grade in this area, in or very near the bottom third of all states in retention and completion rates, credentials produced per 100 full-time equivalent undergraduates, and the percentage of undergraduates receiving Pell Grants. The state's two-year institutions, however, receive a very high grade, bolstered by the highest mark in credentials produced per 100 full-time equivalent undergraduates and ranking in the top five states for both retention and completion rates.

Efficiency & Cost-Effectiveness

North Dakota receives an average grade in this area for four-year institutions, with a cost per completion ($73,922) and state and local funding per completion ($43,349) that rank in the middle third of states. North Dakota's two-year institutions, however, receive a good grade, with a cost per completion ($44,390) and state and local funding per completion ($21,878) in the top 10 states nationally.

Meeting Labor Market Demand

The median wage of a North Dakota bachelor's degree holder is approximately $11,000 (or 36%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is just about 1 point lower. The median wage of an associate's degree holder is approximately $6,000 (or 20%) more than the median wage of a high school graduate; the overall unemployment rate is also about 1 point lower.

Transparency & Accountability

North Dakota receives below average scores for its consumer information and public accountability resources. While the state does not measure student learning outcomes, it does track graduate performance in the labor market, looking at the percentage of graduates who are employed in North Dakota or reenrolled in the North Dakota University System (NDUS), as well as median wages.

Policy Environment

The NDUS Strategic Plan lists goals concerning student outcomes accompanied by explicit targets. The state's articulation policy is also very strong, showing which general education courses are transferable from institution to institution. The state does not have outcomes-based funding.

Innovation

The North Dakota University System has made a robust effort to promote online learning, allowing students to enroll at a "home campus" and take online courses from public four-year and two-year schools across the state. Regarding new providers, however, North Dakota's regulatory regime is quite restrictive, featuring a burdensome approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	F
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	D
Transparency & Accountability	D

State	
Policy Environment	B
Innovation: Online Learning	A
Innovation: Openness to Providers	D

OHIO

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	17
Number of Public Two-Year Institutions	47
Number of Students Served by Public Four-Year Institutions	212,941
Number of Students Served by Public Two-Year Institutions	175,639

Student Access & Success

Ohio's four-year institutions receive an average grade in this area, ranking in the middle third of the states in retention and completion rates and credentials produced per 100 full-time equivalent undergraduates. Ohio's two-year institutions receive a below average grade in this area with a high percentage of Pell recipients bolstering lower marks in credentials produced per 100 full-time equivalent undergraduates, retention rate, and completion rate.

Efficiency & Cost-Effectiveness

Ohio receives middling grades in this area, with a four-year cost per completion ($74,765) ranking in the bottom third of states but state and local funding per completion ($32,312) in the top third. Both two-year cost per completion ($59,861) and state and local funding per completion ($35,141) rank in the middle third of all states.

Meeting Labor Market Demand

The median wage of an Ohio bachelor's degree holder is approximately $20,100 (or 64%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 5 points lower. The median wage of an associate's degree holder is approximately $8,400 (or 27%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

Ohio receives an average (four-years) and below average (two-years) grade in this area. Ohio's consumer information source links to institutional profiles on the Voluntary System of Accountability's College Portrait tool. These sites include information on student outcomes and net price calculators. The state does not measure student learning outcomes, but does release annual labor market outcomes reports for University System of Ohio graduates.

Policy Environment

Ohio's strategic plan includes goals for student outcomes and efficiency. Each Ohio institution creates a unique "transfer module" for general education courses, with the state guaranteeing modules will transfer. Ohio is also a leading state in outcomes-based funding, with 5% of a community college and 10% of a university's base funding at stake.

Innovation

The "OhioLearns" initiative provides students with information about online courses and degree programs available at public and private four- and two-year institutions within the state, though it lacks clarity about the transferability of online credits. Regarding new providers, Ohio's regulatory framework is quite restrictive across the board, resulting in a very low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	A
Innovation: Online Learning	C
Innovation: Openness to Providers	F

OKLAHOMA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	33
Number of Students Served by Public Four-Year Institutions	73,291
Number of Students Served by Public Two-Year Institutions	68,788

Student Access & Success

Oklahoma's four-year institutions receive an average grade in this area, with a high ranking in credentials produced per 100 full-time equivalent undergraduates but much lower rankings on completion and retention rates. Oklahoma's two-year institutions also receive an average grade, scoring in the top third in credentials produced per 100 full-time equivalent undergraduates and completion rate but the bottom third of all states in retention rate.

Efficiency & Cost-Effectiveness

Oklahoma receives a good grade in this area for four-year institutions, with a cost per completion ($57,201) that ranks in the top 10 nationally. Oklahoma's two-year institutions, however, receive a low grade, with a cost per completion ($63,382) and state and local funding per completion ($46,322) in the bottom third of all states.

Meeting Labor Market Demand

The median wage of an Oklahoma bachelor's degree holder is about $14,200 (or 49%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3 points lower. The median wage of an associate's degree holder is about $7,800 (or 27%) more than the median wage of a high school graduate; the overall unemployment rate is less than 1 point lower.

Transparency & Accountability

Oklahoma gets an average (four-years) and below average (two-years) grade in this area. Oklahoma receives an average score for its consumer information and public accountability resources. The state requires all institutions to assess student learning outcomes, using both national and institution-specific measures. However, results are not made public. The Oklahoma State Regents also releases a bi-annual employment outcomes report showing employment rates and average salaries for system graduates.

Policy Environment

Oklahoma's 2011 public agenda has goals for student outcomes, but the goals do not have hard targets. The state has a small outcomes-based funding bonus for institutions as part of its "Brain Gain" initiative. The state also publishes a course equivalency guide for individual course transfer.

Innovation

The Online College of Oklahoma allows students to search for online courses and degrees available from four-year institutions in the state, though students cannot search for individual classes at two-year institutions. Regarding new providers, Oklahoma is among the more open states in the country, featuring a straightforward approval process for cross-border institutions that earns the state a good grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	B

OREGON

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	8
Number of Public Two-Year Institutions	17
Number of Students Served by Public Four-Year Institutions	66,023
Number of Students Served by Public Two-Year Institutions	73,563

Student Access & Success

Oregon's four-year institutions receive an average grade in this area, scoring very close to the national medians on completion rate, retention rate, and the percentage of undergraduates receiving Pell Grants. The state's two-year institutions receive a poor grade, with particularly low scores in credentials produced per 100 full-time equivalent undergraduates and completion rate.

Efficiency & Cost-Effectiveness

Oregon receives a very good grade in this area for four-year institutions, with a cost per completion ($52,632) and state and local funding per completion ($24,293) that rank in the top five states nationally. However, Oregon's two-year institutions receive a very low grade, with a cost per completion ($92,368) and state and local funding per completion ($66,252) in the bottom five states nationally.

Meeting Labor Market Demand

The median wage of an Oregon bachelor's degree holder is approximately $19,700 (or 63%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4.5 points lower. The median wage of an associate's degree holder is approximately $9,500 (or 31%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Oregon receives a good score for its public accountability resources but overall the state performs below average in this area because the state does not measure student learning outcomes or track graduate performance in the labor market.

Policy Environment

Oregon gets a middling grade for its policy environment. The state's higher education plan includes goals for student outcomes, both graduation rates and labor market outcomes. Oregon publishes course equivalency guides for individual classes to aid in course transfer. The state does not have an outcomes-based funding system.

Innovation

"Oregon Colleges Online" is a portal that provides information about online offerings at the state's two-year institutions. While some of Oregon's four-year universities offer online degrees—Oregon State's Ecampus is a good example—there is no effort to coordinate across campuses. Regarding new providers, Oregon has a highly restrictive regulatory environment across the board, resulting in a very low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	D
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	D
Transparency & Accountability	F

State	
Policy Environment	C
Innovation: Online Learning	D
Innovation: Openness to Providers	F

PENNSYLVANIA

COMMONWEALTH FACTS AT A GLANCE	
Number of Public Four-Year Institutions	35
Number of Public Two-Year Institutions	24
Number of Students Served by Public Four-Year Institutions	216,801
Number of Students Served by Public Two-Year Institutions	117,703

Student Access & Success

Pennsylvania's four-year institutions receive a good grade in this area, ranking in the top third of states in both completion and retention rates. The commonwealth's two-year institutions receive an average grade in this area, scoring in the middle third of all states on credentials produced per 100 full-time equivalent undergraduates, completion and retention rates, and the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

Pennsylvania receives an average grade in this area for four-year institutions. Despite a cost per completion ($73,306) above the national median of $68,140, the state and local funding per completion ($27,923) ranks in the top 10 states. Pennsylvania's two-year institutions also receive a middling grade with cost per completion of $60,104 and state and local funding per completion of $28,266.

Meeting Labor Market Demand

The median wage of a Pennsylvania bachelor's degree holder is approximately $19,600 (or 60%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3.5 points lower. The median wage of an associate's degree holder is about $8,100 (or 25%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Pennsylvania receives an average score for its consumer information and public accountability resources with an overall very low performance in this area because the commonwealth does not measure student learning outcomes or track graduate performance in the labor market.

Policy Environment

Pennsylvania's higher education plan does not include goals on student outcomes or efficiency, contributing to a low score in this area. The commonwealth does have an outcomes-based funding system, which represents about 7% of an institution's base funding based on broad categories surrounding student success and access. The Pennsylvania Transfer and Articulation Center is a useful course equivalency guide for transferring individual courses.

Innovation

PA Universities Online serves as a portal for online offerings in the Pennsylvania State System of Higher Education, profiling the courses and programs available at both four- and two-year institutions. However, the commonwealth does not have a goal making online learning a priority and the portal lacks clarity about the transferability of online credits. Regarding new providers, Pennsylvania ranks among the most open states in the country, with a straightforward approval process and low licensure fees.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	D
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	D
Innovation: Openness to Providers	A

RHODE ISLAND

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	2
Number of Public Two-Year Institutions	1
Number of Students Served by Public Four-Year Institutions	19,819
Number of Students Served by Public Two-Year Institutions	10,725

Student Access & Success

Rhode Island's four-year institutions receive an average grade in this area, ranking above average with completion and retention rates and below average with credentials per 100 full-time equivalent undergraduates and the percentage of undergraduates receiving Pell Grants. The state's lone two-year institution receives a very poor grade, ranking in the bottom 10 states for credentials per 100 full-time equivalent undergraduates, completion rate, and the percentage of Pell recipients.

Efficiency & Cost-Effectiveness

Rhode Island receives a good grade in this area for four-year institutions, with a cost per completion ($60,961) and state and local funding per completion ($27,786) both below the national medians of $68,140 and $41,198, respectively. Rhode Island's two-year institution, however, receives a low grade, in particular with a cost per completion ($68,264) falling in the bottom 10 states.

Meeting Labor Market Demand

The median wage of a Rhode Island bachelor's degree holder is $21,000 (or 60%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is approximately $7,700 (or 22%) more than the median wage of a high school graduate; the overall unemployment rate is about 4 points lower.

Transparency & Accountability

Rhode Island receives an average score for its consumer information and public accountability resources but overall, Rhode Island has very low performance in this area. The state does not measure student learning outcomes or track graduate performance in the labor market.

Policy Environment

Rhode Island receives a low grade for its policy environment. The state plan for higher education includes goals for graduation rates, but there are no other goals for student outcomes or efficiency. Rhode Island's transfer guide allows potential transfer students to search by academic area to see which courses transfer between Rhode Island public institutions. The state does not have outcomes-based funding.

Innovation

The Community College of Rhode Island has a clearinghouse that profiles its online course offerings, and the University of Rhode Island provides information on a number of courses that are available online. However, the portal does not have information on full online degree programs and lacks clarity about the transferability of online credits. Regarding new providers, Rhode Island has a restrictive regulatory environment with low licensure fees and an extensive program approval process, resulting in a low grade.

REPORT CARD	
Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D
Two-Year Institutions	
Student Access & Success	F
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	F
State	
Policy Environment	D
Innovation: Online Learning	D
Innovation: Openness to Providers	D

SOUTH CAROLINA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	12
Number of Public Two-Year Institutions	20
Number of Students Served by Public Four-Year Institutions	80,043
Number of Students Served by Public Two-Year Institutions	77,794

Student Access & Success

South Carolina's four-year institutions receive a good grade in this area, scoring near the national medians in credentials per 100 full-time equivalent undergraduates, retention rate, and the percentage of undergraduates receiving Pell Grants. The state's completion rate is in the top third of states. Meanwhile, the state's two-year institutions receive a poor grade, ranking in the bottom 10 states for both completion rate and retention rate.

Efficiency & Cost-Effectiveness

South Carolina receives average grades in this area, with a four-year cost per completion ($71,001) and state and local funding per completion ($36,114) in the middle third of all states, while the state's two-year cost per completion ($62,844) and state and local funding per completion ($33,351) are both slightly above the national medians of $57,210 and $35,476, respectively.

Meeting Labor Market Demand

The median wage of a South Carolina bachelor's degree holder is approximately $16,700 (or 57%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is more than 5 points lower. The median wage of an associate's degree holder is approximately $9,000 (or 31%) more than the median wage of a high school graduate; the overall unemployment rate is about 3.5 points lower.

Transparency & Accountability

The state's consumer information sources and public accountability report do not contain information on student outcomes. South Carolina does not track student labor market outcomes, nor does it measure student learning.

Policy Environment

The South Carolina strategic plan does not include goals on student outcomes or efficiency. The state does not have an outcomes-based funding system. The South Carolina Transfer and Articulation Center lists 86 courses guaranteed to transfer.

Innovation

The South Carolina TechOnline Consortium lists individual courses available at the state's technical institutions, though the consortium provides little information about eligibility or the transfer of credit. There is no comparable resource for four-year colleges. Regarding new providers, South Carolina's approval process rates among the most burdensome in the country, though its licensure fees are less expensive.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	C
Innovation: Openness to Providers	D

SOUTH DAKOTA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	6
Number of Public Two-Year Institutions	4
Number of Students Served by Public Four-Year Institutions	23,162
Number of Students Served by Public Two-Year Institutions	6,083

Student Access & Success

South Dakota's four-year institutions receive a poor grade in this area, ranking in the bottom third of states in credentials per 100 full-time equivalent undergraduates, completion rate, and retention rate. The state's two-year institutions fare much better, placing first in the nation in completion rate and retention rate, and second in credentials per 100 full-time equivalent undergraduates.

Efficiency & Cost-Effectiveness

South Dakota receives a low grade in this area for four-year institutions, in particular due to a cost per completion ($75,055) that ranks in the bottom third of all states. South Dakota's two-year institutions, however, fare better with a cost per completion ($39,925) and state and local funding per completion ($21,830) both in the top 10 states nationally.

Meeting Labor Market Demand

The median wage of a South Dakota bachelor's degree holder is approximately $11,600 (or 41%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 2.5 points lower. The median wage of an associate's degree holder is approximately $5,600 (or 20%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

South Dakota receives an average score for its consumer information and public accountability resources. The state has a board policy specifying that all degree-seeking students are required to meet satisfactory performance requirements on the Collegiate Assessment of Academic Proficiency, and results are made public. The state also tracks labor market outcomes for South Dakota graduates.

Policy Environment

South Dakota gets a middling mark for its policy environment. The state's higher education plan includes goals for student outcomes and efficiency. The Board of Regents also passed a $6 million outcomes-based funding model, which it will pilot starting in mid-2012. The state's articulation policy has approved individual general education courses for transfer.

Innovation

The Electronic University Consortium of South Dakota is a portal of degree programs for both four- and two-year institutions, though it is not possible to take individual courses from state institutions. Regarding new providers, South Dakota is among the most open states in the country. The state does not directly regulate distance education and requires only that providers have some form of accreditation.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	C
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	B
Transparency & Accountability	C

State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	A

TENNESSEE

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	9
Number of Public Two-Year Institutions	39
Number of Students Served by Public Four-Year Institutions	102,184
Number of Students Served by Public Two-Year Institutions	76,631

Student Access & Success

Tennessee's four-year institutions receive a low grade in this area, with a high percentage of undergraduates receiving Pell Grants but lower scores in credentials per 100 full-time equivalent undergraduates, retention rate, and completion rate. The state's two-year institutions perform well, with a percentage of students receiving Pell Grants and a completion rate that both rank in the top 10.

Efficiency & Cost-Effectiveness

Tennessee receives a low grade in this area for four-year institutions, with a cost per completion ($77,521) and state and local funding per completion ($52,500) that fall in the bottom 10 of all states. Tennessee's two-year institutions receive a good grade, with a cost per completion ($50,239) and state and local funding per completion ($30,708) in the middle third of all states nationally.

Meeting Labor Market Demand

The median wage of a Tennessee bachelor's degree holder is approximately $18,400 (or 65%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 5 points lower. The median wage of an associate's degree holder is approximately $10,300 (or 36%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

Tennessee receives an average score for its consumer information and public accountability resources. The state measures student learning outcomes as a piece of its outcomes-based funding system, allowing institutions to use different national tests. The state also looks at job placement rates for two-year institutions.

Policy Environment

Tennessee's plan for higher education includes goals for student outcomes and system efficiency. The state also has one of the oldest outcomes-based funding programs in the country, based on a broad range of performance outcomes. Tennessee's articulation policy spells out 60-credit blocks of general education classes that students can transfer, and the state is exploring common course numbering.

Innovation

The Regents Online Campus Collaborative is one of the more robust efforts to promote online learning in the country, resulting in an above average grade. The initiative provides a clear path for students to register at a "home campus" and then take online courses at four- and two-year institutions across the state. Regarding new providers, Tennessee has one of the more restrictive regulatory environments in the country, with an approval process that is among the most burdensome.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	D
Meeting Labor Market Demand	B
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	C

State	
Policy Environment	A
Innovation: Online Learning	B
Innovation: Openness to Providers	F

TEXAS

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	34
Number of Public Two-Year Institutions	66
Number of Students Served by Public Four-Year Institutions	374,502
Number of Students Served by Public Two-Year Institutions	503,008

Student Access & Success

Texas' four-year institutions receive an average grade in this area, with top 10 rankings in credentials per 100 full-time equivalent undergraduates and the percentage of students receiving Pell Grants but bottom third rankings in completion and retention rates. Meanwhile, the state's two-year institutions receive a low grade, in particular with credentials per 100 full-time equivalent undergraduates and completion rate scores in the bottom 10 of all states.

Efficiency & Cost-Effectiveness

Texas receives a very good grade in this area for four-year institutions, with a cost per completion ($48,849) and state and local funding per completion ($30,318) that rank in the top 10 of all states. Texas' two-year institutions receive an average grade, with a cost per completion ($54,502) and state and local funding per completion ($43,761) in the middle third of all states nationally.

Meeting Labor Market Demand

The median wage of a Texas bachelor's degree holder is approximately $20,800 (or 69%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3 points lower. The median wage of an associate's degree holder is approximately $10,700 (or 36%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Texas is a national leader in this category. The state's primary consumer information sources, a series of Online Institutional Resumes, provide student outcomes, including both graduation rates and licensure passage rates. The state also has an online net price calculator. The University of Texas system requires its institutions to use the Collegiate Learning Assessment to measure student learning outcomes and uses the Automated Student and Adult Learner Follow-Up System to measure labor market outcomes.

Policy Environment

The Texas plan for higher education is specifically targeted to closing gaps in participation and success between Texas and other states. The state does not have an outcomes-based funding system. The Texas Core Curriculum is guaranteed to transfer to any institution.

Innovation

The Texas Distance Education website provides access to information on 3,000 online courses and 18 full degree programs, though the system does not guarantee transfer of online courses across institutions. Regarding new providers, Texas has one of the most restrictive regulatory environments in the country, with an extensive approval process and a sensitive regulatory trigger.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	C
Transparency & Accountability	A

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	B
Transparency & Accountability	B

State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	F

UTAH

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	5
Number of Public Two-Year Institutions	10
Number of Students Served by Public Four-Year Institutions	74,977
Number of Students Served by Public Two-Year Institutions	40,635

Student Access & Success

Utah's four-year institutions receive a low grade in this area, with especially low scores in completion and retention rates. The state's two-year institutions, however, receive an above average grade, scoring in the top 10 states in both credentials per 100 full-time equivalent undergraduates and completion rate.

Efficiency & Cost-Effectiveness

Utah receives good grades in this area, with both four- and two-year costs per completion ($55,404 and $43,709, respectively) ranking in the top 10 of all states, and state and local funding per completion for two-years ($26,659) falling below the national median of $35,476.

Meeting Labor Market Demand

The median wage of a Utah bachelor's degree holder is approximately $17,600 (or 54%) more than the median wage of a high school graduate; the unemployment rate for a bachelor's degree holder is almost 4 points lower. The median wage of an associate's degree holder is approximately $8,100 (or 25%) more than the median wage of a high school graduate; the unemployment rate is almost 3 points lower.

Transparency & Accountability

Utah receives an average score for its consumer information and public accountability resources. The state does not track student labor market outcomes, nor does it measure student learning, contributing to its overall very low marks.

Policy Environment

Utah gets a low mark for its policy environment. The state higher education plan does not include goals for system efficiency or student outcomes except to increase graduation rates. The state's articulation policy clearly declares that "All USHE receiving institutions shall accept at full value all General Education coursework approved by the sending institution." Utah does not have an outcomes-based funding system.

Innovation

Utah used to fund the Utah eLearning Connection, which provided access to information about online learning offerings at state institutions, but the initiative lost funding in 2009. State institutions provide degree programs at both four- and two-year institutions, but there is little coordination across institutions. Regarding new providers, Utah is among the most open states in the country, with a straightforward and inexpensive approval process, though the process is more complicated for proprietary schools.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	D
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	D
Innovation: Openness to Providers	A

VERMONT

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	4
Number of Public Two-Year Institutions	2
Number of Students Served by Public Four-Year Institutions	15,504
Number of Students Served by Public Two-Year Institutions	4,844

Student Access & Success

Vermont's four-year institutions receive a good grade in this area, with a high completion rate balancing out a low percentage of undergraduates receiving Pell Grants. The state's two-year institutions receive a very high grade, scoring in the top five states for both credentials per 100 full-time equivalent undergraduates and completion rate.

Efficiency & Cost-Effectiveness

Vermont receives an average grade in this area for four-year institutions. Despite a very high cost per completion ($106,356) that ranks in the bottom five of all states, the state and local funding per completion ($20,353) ranks in the top five states. Vermont's two-year institutions fare slightly better, in particular with a state and local funding per completion ($14,307) that is the lowest in the country.

Meeting Labor Market Demand

The median wage of a Vermont bachelor's degree holder is $15,000 (or 47%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is almost 2.5 points lower. The median wage of an associate's degree holder is approximately $11,500 (or 36%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Vermont receives a very low score for its consumer information and public accountability resources. The state does not measure student learning outcomes or track graduate performance in the labor market.

Policy Environment

The Vermont State Colleges system's strategic priorities include a very broad aim for improving retention and degree completion, but most of the goals are not related to student success factors. The state does not have an outcomes-based funding or a statewide articulation and credit transfer system.

Innovation

The Community College of Vermont's Center for Online Learning serves as a clearinghouse for individual online courses available at the institution, but there is nothing comparable at the four-year level. Regarding new providers, Vermont has a highly restrictive regulatory environment, resulting in a low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	F
Transparency & Accountability	F

Two-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	B
Transparency & Accountability	F

State	
Policy Environment	F
Innovation: Online Learning	F
Innovation: Openness to Providers	D

VIRGINIA

COMMONWEALTH FACTS AT A GLANCE	
Number of Public Four-Year Institutions	15
Number of Public Two-Year Institutions	24
Number of Students Served by Public Four-Year Institutions	151,909
Number of Students Served by Public Two-Year Institutions	123,673

Student Access & Success

Virginia's four-year institutions receive a very high grade in this area, scoring in the top three states for completion and retention rates. The commonwealth's two-year institutions, however, receive a low grade, scoring below average in credentials per 100 full-time equivalent undergraduates, completion rate, and the percentage of undergraduates receiving Pell Grants, despite ranking in the top 10 states in retention rate.

Efficiency & Cost-Effectiveness

Virginia receives a very good grade in this area for four-year institutions, with a cost per completion ($54,128) and state and local funding per completion ($27,385) that rank in the top 10 states. Virginia's two-year institutions receive a good grade, with a cost per completion ($46,825) and state and local funding per completion ($22,045) in the top third of all states.

Meeting Labor Market Demand

The median wage of a Virginia bachelor's degree holder is $28,000 (or almost 88%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 3 points lower. The median wage of an associate's degree holder is approximately $10,500 (or 33%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Virginia receives an average score for its consumer information and public accountability resources but the state's overall performance is poor. While the commonwealth does assess student learning, results are not made public and the assessments are not based on national tests. Virginia does not track student labor market outcomes.

Policy Environment

The commonwealth's strategic plan for higher education does not have goals related to student outcomes or system efficiency. Virginia does give bonus funding if an institution increases its degree completion and retention, but this is a small add-on, not part of an institution's base funding. Virginia's articulation policy is vague, with a lot of discretion left to each institution regarding individual credits.

Innovation

The Virginia Community College System has developed an impressive online portal for two-year institutions that provides guidance on individual course offerings, but there is nothing comparable at the four-year level. Regarding new providers, Virginia's regulatory trigger is not sensitive, but when triggered the approval process is among the most burdensome in the country.

REPORT CARD

Four-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	A
Meeting Labor Market Demand	A
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

State	
Policy Environment	F
Innovation: Online Learning	D
Innovation: Openness to Providers	C

WASHINGTON

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	8
Number of Public Two-Year Institutions	34
Number of Students Served by Public Four-Year Institutions	91,152
Number of Students Served by Public Two-Year Institutions	163,001

Student Access & Success

Washington's four-year institutions receive a very high grade in this area, ranking first in the country in credentials per 100 full-time equivalent undergraduates and second in completion rate. The state's two-year institutions also receive a good grade, scoring in the top 20 states in credentials per 100 full-time equivalent undergraduates, completion rate, and the percentage of undergraduates receiving Pell Grants.

Efficiency & Cost-Effectiveness

Washington receives average grades in this area, with both a four-year cost per completion ($71,727) and state and local funding per completion ($34,447) and a two-year cost per completion ($49,398) and state and local funding per completion ($33,397) in the middle third of all states.

Meeting Labor Market Demand

The median wage of a Washington bachelor's degree holder is approximately $23,400 (or 66%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is about $9,100 (or 26%) more than the median wage of a high school graduate; the overall unemployment rate is about 2 points lower.

Transparency & Accountability

Washington's consumer information source, Career Bridge, displays both graduation rates and employment figures, by program and school. The state does not measure student learning outcomes, contributing to its overall average marks.

Policy Environment

Overall, Washington gets a low mark for its policy environment. Washington's *Moving the Blue Arrow* strategic plan includes goals for degree completion, though not for student outcomes or system efficiency. While the state does not have outcomes-based funding for four-year institutions, it does have a bonus fund for two-year institutions based on outcomes like first-year retention and overall completions. An associate's degree does transfer in full to a four-year institution, but individual course transfer is dependent on the availability of a "parallel course" at the receiving institution.

Innovation

Washington Online serves as a central clearinghouse for online course and degree offerings at the state's two-year institutions, but there is nothing comparable at the four-year level. Regarding new providers, Washington has low licensure fees but a burdensome approval process, resulting in a low grade.

REPORT CARD

Four-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	C
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	B
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	D
Transparency & Accountability	C

State	
Policy Environment	D
Innovation: Online Learning	D
Innovation: Openness to Providers	D

WEST VIRGINIA

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	10
Number of Public Two-Year Institutions	14
Number of Students Served by Public Four-Year Institutions	50,415
Number of Students Served by Public Two-Year Institutions	19,103

Student Access & Success

West Virginia's four-year institutions receive a low grade in this area; despite ranking in the top 10 states in the percentage of undergraduates receiving Pell Grants, the state is in the bottom third of states for credentials per 100 full-time equivalent undergraduates and completion and retention rates. West Virginia's two-year institutions fare slightly better, ranking in the top 20 states on credentials per 100 full-time equivalent undergraduates and the percentage of Pell recipients.

Efficiency & Cost-Effectiveness

West Virginia receives an average grade in this area for four-year institutions, with a cost per completion ($65,598) and state and local funding per completion ($42,870) that rank in the middle third of all states. West Virginia's two-year institutions fare slightly better, with a cost per completion ($37,028) that is the best in the country.

Meeting Labor Market Demand

The median wage of a West Virginia bachelor's degree holder is approximately $12,700 (or 42%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 2 points lower. The median wage of an associate's degree holder is approximately $7,600 (or 25%) more than the median wage of a high school graduate; the overall unemployment rate is about 1.5 points lower.

Transparency & Accountability

West Virginia receives a good score for public accountability resources but the state's overall performance is average (four-years) and below average (two-years). The state contracts with West Virginia University to provide annual reports on graduate labor outcomes. Additionally, public four-year institutions are required to test a small, representative sample of freshmen and seniors using the Collegiate Learning Assessment to evaluate student learning, although results are not made public.

Policy Environment

West Virginia's strategic plan for higher education includes goals for student learning and increasing system efficiency. The state's Core Coursework Transfer Agreement provides guidance on individual course transfer. The state does not have an outcomes-based funding system, contributing to its overall average performance in this area.

Innovation

The West Virginia Virtual Learning Network is a consortium of state universities that provides access to online degree programs at both four- and two-year institutions, but it does not feature individual online course offerings. Regarding new providers, West Virginia has a highly restrictive regulatory environment, with a burdensome approval process and a sensitive regulatory trigger.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	C
Meeting Labor Market Demand	F
Transparency & Accountability	C

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	D
Transparency & Accountability	D

State	
Policy Environment	C
Innovation: Online Learning	C
Innovation: Openness to Providers	D

WISCONSIN

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	13
Number of Public Two-Year Institutions	17
Number of Students Served by Public Four-Year Institutions	126,744
Number of Students Served by Public Two-Year Institutions	81,557

Student Access & Success

Wisconsin's four-year institutions receive an average grade in this area, ranking in the top third of states for completion and retention rates but near the bottom for the percentage of undergraduates receiving Pell Grants. The state's two-year institutions, however, receive a very good grade in this area, ranking in the top 10 states in credentials per 100 full-time equivalent undergraduates and completion rate.

Efficiency & Cost-Effectiveness

Wisconsin receives a good grade in this area for four-year institutions, with both cost per completion ($63,146) and state and local funding per completion ($31,957) below the national medians of $68,140 and $41,198, respectively. Wisconsin's two-year institutions, however, receive a very low grade, with a cost per completion ($71,226) and state and local funding per completion ($57,071) in the bottom 10 of all states.

Meeting Labor Market Demand

The median wage of a Wisconsin bachelor's degree holder is approximately $17,700 (or 54%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 4 points lower. The median wage of an associate's degree holder is approximately $7,800 (or 24%) more than the median wage of a high school graduate; the overall unemployment rate is about 3 points lower.

Transparency & Accountability

The state's consumer information source includes information on student outcomes but overall the state performs below average in this area. Wisconsin does not track student labor market outcomes, nor does it measure student learning.

Policy Environment

The University of Wisconsin (UW) system's growth agenda includes goals for increasing degrees, but not for student outcomes or system efficiency. The UW Transfer Information System includes a useful portal with course equivalencies for individual courses within the UW system. The state does not have outcomes-based funding.

Innovation

The University of Wisconsin eCampus portal offers online degree programs for both four- and two-year institutions in the UW system and provides prospective students with clear information about eligibility and transfer of online courses. Regarding new providers, Wisconsin has a highly restrictive regulatory environment that asserts jurisdiction over any institution that enrolls Wisconsin residents.

REPORT CARD

Four-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	B
Meeting Labor Market Demand	C
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	A
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	C
Transparency & Accountability	F

State	
Policy Environment	D
Innovation: Online Learning	B
Innovation: Openness to Providers	F

WYOMING

STATE FACTS AT A GLANCE	
Number of Public Four-Year Institutions	1
Number of Public Two-Year Institutions	7
Number of Students Served by Public Four-Year Institutions	9,076
Number of Students Served by Public Two-Year Institutions	17,289

Student Access & Success

Wyoming's lone four-year institution receives a low grade in this area, ranking in the bottom 10 states for both retention rate and the percentage of undergraduates receiving Pell Grants. However, the state's two-year institutions do better, ranking in the top 10 states for completion rate and an overall average performance.

Efficiency & Cost-Effectiveness

Wyoming receives very low grades in this area, with a four-year cost per completion ($87,899), four-year state and local funding per completion ($105,038), two-year cost per completion ($77,021), and two-year state and local funding per completion ($67,200) all ranking in the bottom five states nationally.

Meeting Labor Market Demand

The median wage of a Wyoming bachelor's degree holder is $14,000 (or 39%) more than the median wage of a high school graduate; the overall unemployment rate for a bachelor's degree holder is about 2 points lower. The median wage of an associate's degree holder is approximately $4,500 (or 13%) more than the median wage of a high school graduate; the overall unemployment rate is less than 1 point lower.

Transparency & Accountability

Wyoming receives a low score for its consumer information and public accountability resources. While Wyoming does not track student performance in the labor market, the University of Wyoming has actively used the Collegiate Learning Assessment to assess student learning. For the same purpose, the Wyoming Community College Commission has used the Collegiate Assessment of Academic Proficiency.

Policy Environment

The Wyoming Community College Commission has goals for degree completion, measuring student learning outcomes, and system efficiency. Wyoming allows students to transfer a full associate's degree, although individual courses short of a full degree are evaluated on a case-by-case basis. The state does not have outcomes-based funding.

Innovation

Wyoming's WyCLASS initiative is a robust effort to promote online learning, providing students with access to information about online offerings at all public institutions in the state. Regarding new providers, Wyoming has a sensitive regulatory trigger but low licensure fees and a straightforward program approval process.

REPORT CARD

Four-Year Institutions	
Student Access & Success	D
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	D
Transparency & Accountability	D

Two-Year Institutions	
Student Access & Success	C
Efficiency & Cost-Effectiveness	F
Meeting Labor Market Demand	D
Transparency & Accountability	C

State	
Policy Environment	C
Innovation: Online Learning	A
Innovation: Openness to Providers	C

[Endnotes]

1. In the absence of better information, researchers have been forced to use relatively crude approximations of per-unit costs—essentially dividing the total state, local, and tuition revenue or instructional expenditures by the total number of credentials produced in a given year, regardless of the type of degree program. Other attempts have used different methods to weight degrees differently to better reflect differences in the cost of providing those programs.

2. We used the Consumer Price Index to convert earlier years of finance data in 2010 dollars. In order to account for regional differences in the cost of labor, we used the Comparative Wage Index (CWI) developed by Dr. Lori Taylor of the Bush School of Government and Public Service at Texas A&M University. The National Center for Education Statistics released the original CWI in 2006 and it has been used to adjust various education spending estimates to account for regional differences in the cost of labor (see Education Week's "Quality Counts"). We thank Dr. Taylor for providing the 2010 state index used here.

3. Because this measure excludes state and local appropriations for capital projects, it *underestimates* the amount of total state and local funding for higher education in many places.

4. This data source is known as the three-year ACS Public Use Microdata Series (PUMS). We obtained the data from the Integrated Public Use Microdata Series (IPUMS) at the University of Minnesota.

5. Higher education officials in Virginia, for instance, told us that they are preparing new data that link labor market outcomes to postsecondary institutions and programs. Because we were not able to obtain the new resources as of this writing, we did not grant Virginia credit on that metric.

6. In the event that a state had separate reporting mechanisms within its four-year system (e.g., a report for research universities and a separate one for masters and baccalaureate colleges), we scored both and combined the results.

7. This is in contrast to our measures of student learning and labor market outcomes, where we did not count licensure passage rates as measures of student learning or alumni survey results as postsecondary–labor market linkages.

8. Other research has relied on surveys of state agencies to catalog the states that are making these linkages. The Government Accountability Office (GAO) released such a study in 2009 and found that 26 states reported linking postsecondary records to wage and employment data. This total is somewhat higher than our count, likely because some of those states have not made their labor market outcomes data public in any format.

9. The researchers characterized "typical" burden as providing background information on staff and owners, standard information about program length and requirements, student service, library, academic advising capacity, institution financials, and student records.

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