

To: Dr. Richard Rhoda, Executive Director
Tennessee Higher Education Commission

From: Dennis Jones, Aims McGuinness
National Center for Higher Education Management Systems

Date: April 13, 2009

Subject: Next Steps for Making Opportunity Affordable – Tennessee

Aside from actually conducting the policy audit for the Making Opportunity Affordable (MOA) initiative, you requested that the NCHEMS staff involved in the work in Tennessee provide you with our suggestions regarding the next steps to be taken by THEC in addressing key points raised in the audit. This memo is our response to that request.

The priority action steps as we see them are as follows:

1. Continue to focus on the Master Plan with MOA as a contributing activity but not a project in its own right. At this point it is appropriate to start talking about the Master Plan and play down MOA. It is useful to invoke MOA as a way to keep the leadership team engaged, but for external consumption, we would talk about something that is indigenous to Tennessee – the statutorily required Master Plan.
2. Make increased education attainment the centerpiece of the new Master Plan. This “macro” goal:
 - Is easily communicated
 - Has a ready basis for benchmarking
 - Resonated with the different audiences with which we met
 - Can be easily tied to workforce issues – an important consideration when dealing with both employers and political leaders
 - Can be applied regionally should you choose to do so

Because so much of what needs to be done in Tennessee focuses on the community colleges and technology centers, it would be useful to establish goals by award level – certificates, associates, baccalaureate – as a way of creating expectations for different kinds of institutions. The Student Flow model provides a tool that will let you set targets in a “stretch” but believable way.

Clearly there have to be some other goals – particularly around research and economic development – as a way to ensure that all institutions see a way to connect their core missions to the Plan’s priorities.

3. Make clear the accountability measures that you will use to assess progress toward goal achievement. In essence, design the annual report to the Governor, legislature, Business Roundtable, and the people of the state, as a companion piece to goal definition. You might take a look at the Minnesota publication, *Minnesota Measures*, as an example [Minnesota provides a good example of stating the “what” and the “whether” and leaving the “how” to the governing boards.]



4. Work proactively to build broad consensus around the goals and the measures. In our conversations we got two clear messages:

- Prior plans were viewed as THEC plans. Policymakers had no commitment to them.
- Policymakers are very interested in being engaged in the process of goal definition.

As a consequence, it would be useful to rather quickly:

- Establish a set of goals and accompanying measures, clearly labeling them as drafts.
- Review them with a broad array of audiences
 - Institutional leaders
 - Governing boards
 - Legislative groups – joint committees, education oversight, etc.
 - Business Roundtable
 - The Governor and key staff
 - Editorial boards

It might also be useful to do regional reviews with groups like Memphis Tomorrow and any other such groups whose members can be friends in court when friends are needed.

The purpose is to create a broad understanding of the issues facing Tennessee and higher education's focused response to those issues, creating a set of expectations that will frame the debate about all other policies.

In this process you can also get policymakers to understand the key points of intervention.

5. Focus on a limited number of implementation initiatives. These became evident in the course of conducting the policy audit. Indeed, you have already starting moving on them. Our suggestions – drawing from all we heard in our discussions around Tennessee – are to focus on:

- a. K-12/Postsecondary alignment. It became clear that higher education is sending a very fuzzy message to school teachers and students concerning what it means to be college-ready. This is an area in which THEC can play a key academic leadership role in the P-16 context, working with groups of secondary and postsecondary teachers to develop a clear statement of college readiness standards (knowledge and skills) and the means by which they will be assessed. You might want to look to the Texas Higher Education Coordinating Board's work in this arena for illustration of both process and product.
- b. Education of adults. The data make clear the need for Tennessee to successfully educate many more adults if the state is going to attain a globally competitive workforce. The policy audit discussions pointed to many barriers to adults being successful in pursuit of a college degree. We recommend that a Task Force be named to address a broad range of issues affecting education of adults and charged with recommendations by November 2009 – prior to the 2010 legislative session. The topics to be addressed should include:
 - Approaches to encouraging adults to participate in postsecondary education

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- Workplace oriented assessment of acquired skills – for purposes of both placement and credit for prior learning
 - Size and nature of vocational programs needed to response for workforce demands
 - Assuring articulation/transfer of credit equivalents between TTCs and CCs.
 - Design of a funding model for CCs and TTCs.
 - Tuition and student financial aid models supportive of adult student success.

It is our understanding that this Task Force has already been named and its work is beginning with staff support from THEC.

- c. Do an assessment of the availability and utilization of postsecondary education (particularly community college) services in all regions of the state. This assessment will provide a baseline for information for use by THEC in taking a more proactive stance regarding the delivery of services. The results could reveal needs for:
 - A much more aggressive program of workforce literacy education
 - Expanded program offerings by some institutions
 - Collaborative delivery of services – inter-institutional delivery of programs on another institution’s campus or at a learning center
 - Creation of new institutions – as a last resort

The approach to this assessment has been discussed with THEC staff. We will be pleased to help in any additional ways you deem appropriate.

- 6. Improve both the design and the implementation of the financing mechanism
 - a. Base component of the funding model
 - Move, in stages, to course completions rather than course enrollments
 - Include all courses completed in a fiscal year; move away from the fall term as the basis for allocations
 - b. Performance component of the funding model
 - Create a separate pool of resources for the performance component. Do NOT comingle in times of reductions
 - Add a performance component specifically tied to program completions. Consider giving added weight to graduation of individuals, identified as of primary importance in the Master Plan
 - Students who started with academic deficiencies
 - Adults
 - Underserved populations
 - STEM field majors.

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- c. Tuition
 - Ensure presence of low-priced point of access to postsecondary education in Tennessee
 - Attempt to limit tuition increases to increases in household income
 - d. Student Financial Aid. Throughout Tennessee we heard concerns about the absence of need-based aid – particularly for adults and community college students. Rather than tackle this problem head-on by doing another “work-around” of the existing programs, we suggest that you:
 - Examine the Oregon Shared Responsibility Model to get a sense of the residual cost to the state if that model were implemented in Tennessee.
 - Determine whether or not existing programs could be integrated with this approach. What would have to be modified in the Lottery Scholarship methodology to make them compatible?
 - Do the same with the need-based grant program and Wilder-Naifeh.
 - Develop a series of recommendations that would:
 - Better align student aid programs with state priorities
 - Remove economic barriers for more students
 - 7. Build consensus around the general approach to the financing mechanism. It doesn’t matter how well designed the finance models are if they aren’t implemented. As a result, we suggest that:
 - Legislators and legislative staff be fully informed (and involved to the extent they will be) about the design of the financing mechanism
 - Ties to the Master Plan be explicit and communicated to policymakers at every opportunity.

We hope our sense of the important next steps is useful to you. Let us know if you have questions or want further explanation of any of this.