MEASURING UP

A Midwestern Perspective on the National Report Card 2002 to 2008

Watson Scott Swail
Sarah Jaeschke
Christopher J. Rasmussen

MHEC

epi Educational Policy Institute

Acknowledgements

This report was prepared for the Midwestern Higher Education Compact and the Educational Policy Institute by:

Watson Scott Swail, Educational Policy Institute
Sarah Jaeschke, Educational Policy Institute
Christopher J. Rasmussen, Midwestern Higher Education Compact

While funding for this report was provided by the National Center for Public Policy in Higher Education, the Center has not provided substantive input into the report. Any errors, omissions, or opinions expressed are solely those of the authors.

The **Midwestern Higher Education Compact** (MHEC) is a nonprofit regional organization established by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing. Member states are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The **Educational Policy Institute** (EPI) is a non-profit research organization dedicated to the study of educational opportunity. Based in Virginia Beach, Virginia, with offices in Toronto, Canada and Melbourne, Australia, EPI conducts policy analyses, program evaluation, and professional development workshops and conferences in the US and beyond.

© 2009 Midwestern Higher Education Compact/Educational Policy Institute.

Table of Contents

What is *Measuring Up*?

Measuring Up is the fifth report in a biennial series of reports produced by the National Center for Public Policy in Higher Education. Founded in 1998, the National Center is a non-profit, nonpartisan organization that remains unaffiliated with any government agency or postsecondary institution. Its purpose is to promote policies that increase opportunities for Americans to receive postsecondary education.

The purpose of *Measuring Up* is to evaluate state and national progress in providing education beyond a high school diploma through the bachelor's degree. Doing so allows each state to make comparisons nationally. States are evaluated in five areas: preparation for college, participation, affordability, completion, and benefits. The report is created to provide policymakers and the public with non-partisan information about state progress in higher education.

How Were Grades Determined?

Data for *Measuring Up* comes from the United States Census Bureau and the United States Department of Education. In total, 36 quantitative measures were used to analyze the five categories of preparation for college, participation, affordability, completion, and benefits. States were given a letter grade ranging from A (a score of 93 or above) to F (a score below 60) for each of these categories. No grades were awarded in the sixth category of learning due to a dearth of reliable and equivalent data. Therefore, for the 2008 report, all states received a grade of "Incomplete" for learning.

There were five steps in the process of preparing state grades for *Measuring Up*. Step 1 identified the indicators to be used in each of the five categories. The research team considered the availability of reliable data that are comparable across all 50 states. Step 2 weighted each of the indicators based on their relative importance within a given category. Following the weighting of the indicators, the states were rank ordered on a 100-point scale and the top states were used to establish a benchmark. The fourth step was to identify the best states in each of the five categories. Finally, grades were assigned based on states' index scores as noted above.

In our look at the member states of the Midwestern Higher Education Compact (MHEC) we have provided an indicator of change from 2006 to 2008 and we have also provided the grades assigned to each state in 2002, 2004, 2006, and 2008 for comparison.

What is the Purpose of a Midwestern Perspective on *Measuring Up*?

Each state can compare itself to the other states using *Measuring Up* data. As stated in the forward to *Measuring Up*, the purpose of the report is to "assist the nation and the states in improving higher education opportunity and effectiveness" (p. 4). Similarly stated, this Midwestern perspective is designed to provide a regional comparison of MHEC member states. It also allows the comparison of the collective Compact states with other regions of the country.

The regional comparisons presented here possess some limitations. Data used to create the 2008 grades were aggregated at the state level. If it had been the intention of the National Center to compare regions, it is likely that different quantitative measures would have been selected. A second limitation is the result of composite grading. Averaging a state's grades in individual categories to create a composite grade can conceal a state's strengths or weaknesses in any one area. Creating composite scores by region can have a similar effect, hiding an individual state's high or low grade.

Of course, data aggregated at the state level fails to show variations at the school district, city, or county level, and also fails to highlight differences that appear by socioeconomic status or race, or other demographic category.

Implications of the Report for Public Policy

This regional report and the *Measuring Up* national report appear at a time of significant financial stress, not only in the United States but also around the world. At the federal level, two major economic stimulus packages were enacted in a relatively short period of time in an attempt to pull the country out of a recession, the likes of which we have not seen since the early part of the last century.

States have been hit significantly by this recession. According to the National Conference of State Legislators (NCSL), two-thirds of states faced budget deficits for FY09. California alone posted a $40 billion deficit. Many economists and policy analysts have suggested that while the current state fiscal situation may be difficult, it may pale in comparison to what lies ahead, particularly given the short-term relief provided by federal State Fiscal Stabilization Funds. Almost every state is reeling financially and in the midst of a downward spiral with reduced revenues further compounding the problem.

In the attempt by governors and state legislators to balance budgets, major hits have been taken by education. Many states have reduced funding for all levels of education, and school districts and institutions of higher education are cutting services and staff to meet the new budget reality. All of this comes at a time when, historically speaking, more people are entering higher education. During a recession, which is marked in this case by massive job cuts, workers turn to higher education for re-training. Higher education is thus forced to contend with greater enrollments on smaller budgets.

In *Measuring Up*, a special section compared the United States with other countries and noted that the U.S. is losing its lead in postsecondary credentialing. While the U.S. led the world in college

participation, it now finds itself losing ground to other industrialized and emerging nations. The current economy and cutbacks in education will make it even more difficult to stem this decline.

The measures contained in this report focus on the education issues critical to the future rehabilitation of the U.S. economy and society. The grades and other comparative information contained herein provide indicators showing the region's current status and illustrating how progress has largely stalled over the past decade. This data can inform the development of policies and programmatic initiatives to enable the U.S. to recommit itself to educational excellence in the Midwest and beyond.

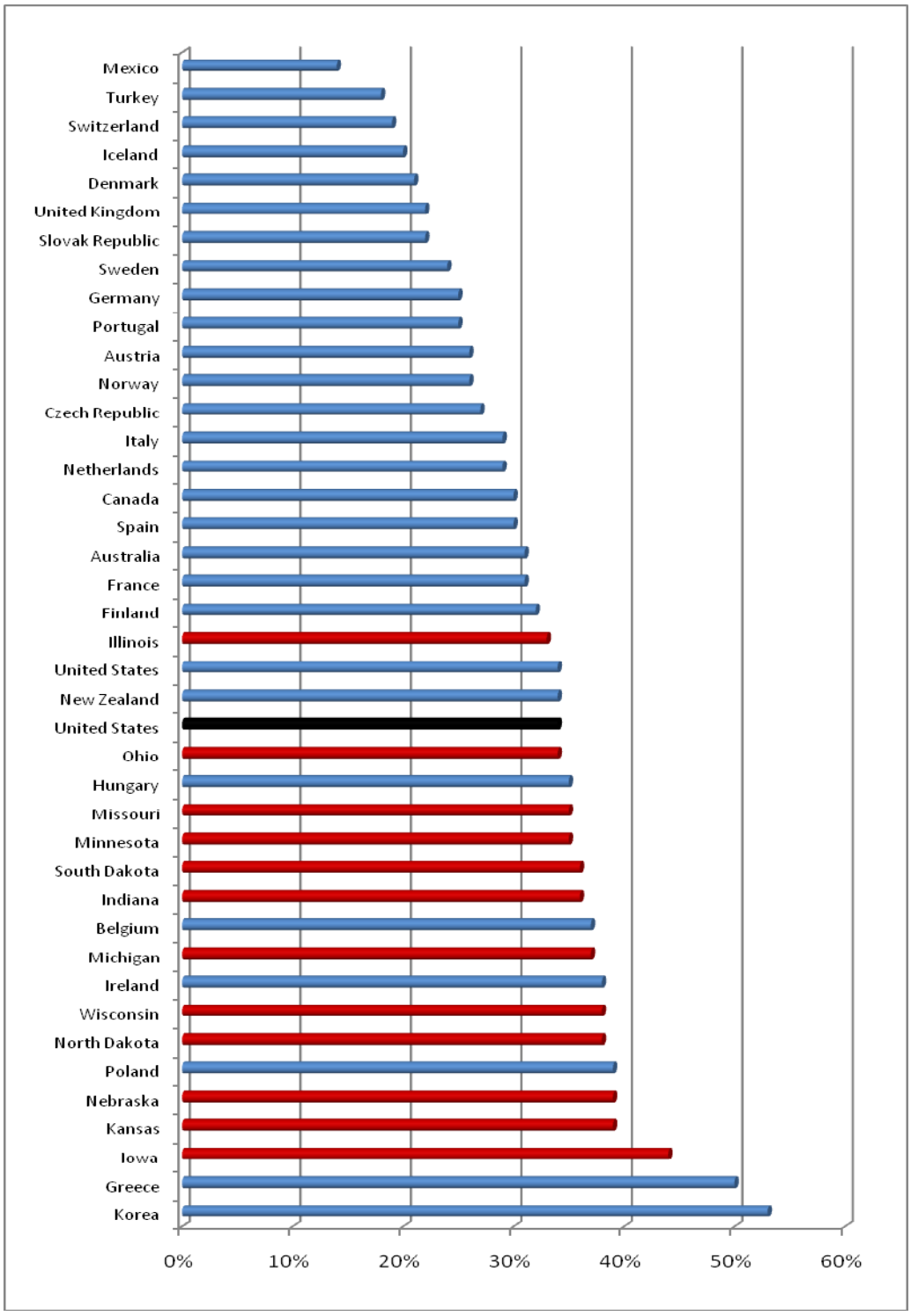
International Comparison

Measuring Up included a section comparing the United States to member nations of the Organisation for Economic Cooperation and Development (OECD) in areas of educational participation and completion. MHEC states fare well within the larger international picture of higher education.

In 2008, 34 percent of 18- to 24-year-olds in the United States were enrolled in college. With the exception of Illinois (which had a 33 percent enrollment rate) every MHEC state had a higher percentage of 18- to 24-year-olds enrolled in college than the national average. When compared internationally, Iowa, Kansas, and Nebraska have very high enrollment among 18- to 24-year-olds.

MHEC states also outperformed the U.S. average for the number of degrees and postsecondary certificates awarded per 100 students enrolled in college. However, as a nation the U.S. does not fare well in this category when put in an international perspective. Illinois, Iowa, Minnesota, and Wisconsin all averaged 20 degrees or certificates awarded per 100 enrolled student—the highest scorers among MHEC states. However, these scores rank below those of 9 of the 30 OECD countries, with Australia, Japan, and Switzerland topping the list at 26 degrees and certificates awarded for every 100 enrolled students.

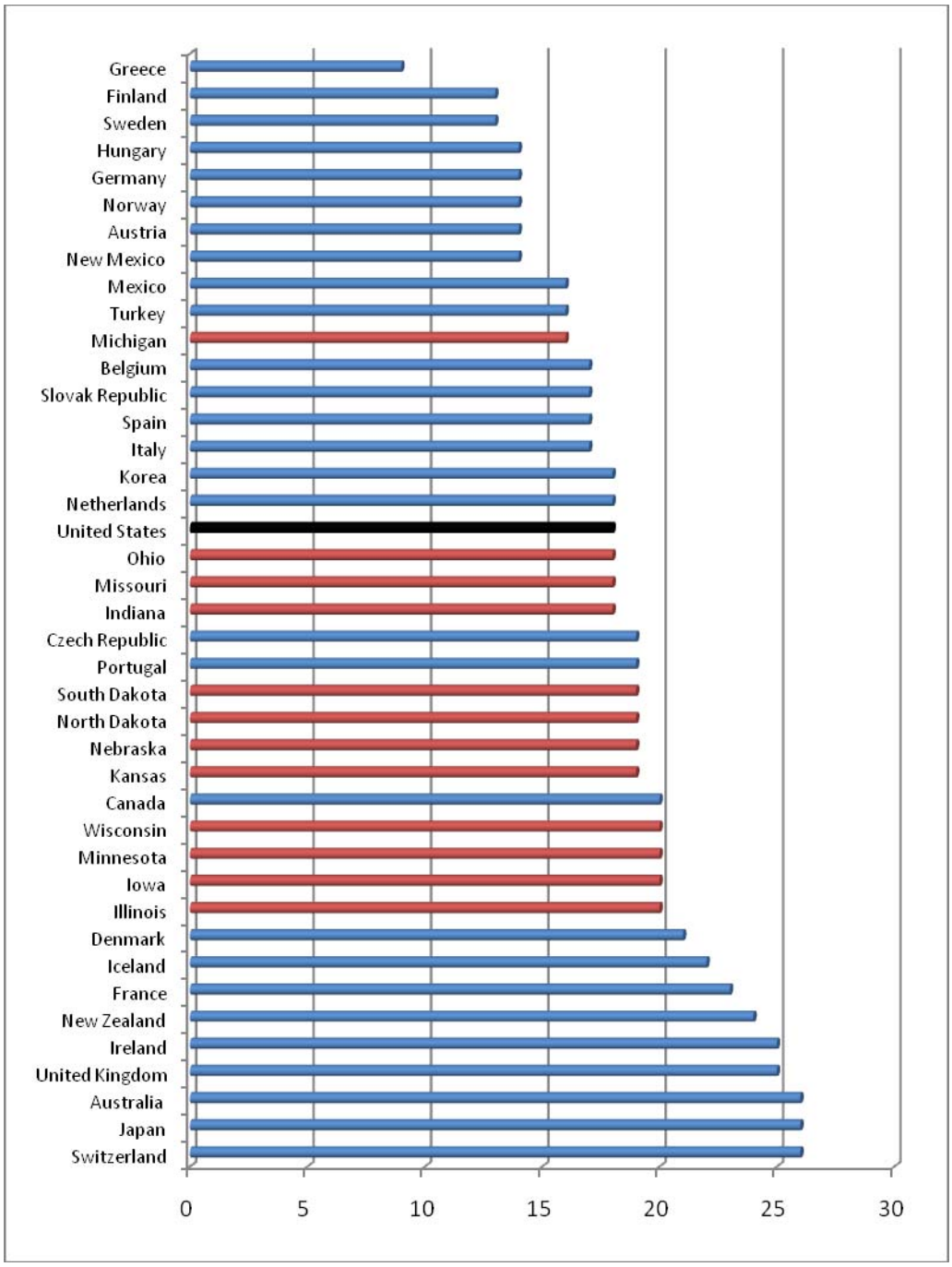
Exhibit 1. Percent of young adults (18-24) enrolled in college by nation



Source: OECD database. Data provided by Alan Wagner, as cited in Measuring Up: The National Report Card on Higher Education. *National Center for Public Policy and Higher Education. San Jose, California.*

Sources: NCES, IPEDS 2007 Fall Enrollment Survey; U.S. Census Bureau, 2007 Population Estimates

Exhibit 2. Number of degrees or certificates awarded per 100 students enrolled, an international perspective



Source: OECD database. Data provided by Alan Wagner, as cited in Measuring Up: The National Report Card on Higher Education. *National Center for Public Policy and Higher Education. San Jose, California.*

NOTE: State Title IV undergraduate awards (2006-07) per 100 undergraduates (Fall 2006).

What Grades did MHEC States Earn in *Measuring Up*?

The table below summarizes the grades received in the six *Measuring Up* categories by MHEC's 12 member states. Every MHEC state received a failing grade for affordability and an "Incomplete" for learning. The affordability grade indicates that higher education opportunities are out of reach for many students in the Midwest. The incomplete grades in learning illustrate the need for better assessment metrics within the states.

Next to the letter grades of each score is an arrow pointing up or down. An upward facing arrow indicates that the MHEC state has increased its score in this category since the *Measuring Up 2006* report. A downward facing arrow indicates that the score has dropped since *Measuring Up 2006*.

Exhibit 3. Summary of MHEC state grades on six categories

	Preparation		Participation		Affordability		Completion		Benefits		Learning	
Illinois	B	—	C	▼	F	—	B+	—	B	▼	I	—
Indiana	C	—	C	▼	F	—	B-	▼	D+	▼	I	—
Iowa	B	▼	A	▲	F	—	A	—	C+	▲	I	—
Kansas	B	▲	B-	▼	F	—	B	▼	C+	▼	I	—
Michigan	C	▲	C	▼	F	—	C+	▼	B+	▼	I	—
Minnesota	B	—	B	▼	F	▼	A	—	B	▼	I	—
Missouri	C+	▲	C	▼	F	—	B	▼	C+	▼	I	—
Nebraska	B-	▼	B	▼	F	—	B+	▼	B	—	I	—
North Dakota	B-	—	B+	▼	F	—	A	▲	D	▼	I	—
Ohio	B-	—	C-	▼	F	—	B-	▼	C+	—	I	—
South Dakota	B	—	B	▼	F	—	B	▼	D+	▼	I	—
Wisconsin	B	▼	C+	▼	F	—	A-	▼	C	▼	I	—

NOTE: 'I' denotes incomplete.

The categories of preparation, participation, completion, and benefits are graded on a curve, with the top five performing states serving as the benchmark. Affordability is graded based on the benchmarks set by the top five performing states in the early 1990s. Letter grades of A to F are assigned to states in the various categories, mirroring the grading method used in most high schools and postsecondary institutions.

The Learning category is graded using a criterion-based grading system. This assessment method compares outcomes against predetermined standards or expectations. States that attempt to assess learning on a statewide scale using criterion-based systems receive a plus mark. In 2006, nine states, including one MHEC member state (Missouri), were awarded plus marks for their attempts to assess learning. For the 2008 edition of *Measuring Up*, no states received plus marks. The primary reason cited for this is that most states have redirected learning assessment measures to campus-level initiatives such as participation in the Voluntary System for Accountability. This is a move that is questioned by *Measuring Up* researchers.

A few states continue to assess learning against national benchmarks. South Dakota, for example, requires all students that attend public colleges and universities to meet standards on the ACT Collegiate Assessment of Academic Proficiency (CAAP) prior to graduation. West Virginia intends to administer the Collegiate Learning Assessment across the state in 2009. Oregon is partnering with the Association of American Colleges and Universities (AACU) to implement new portfolio measures for learning.

A final comment on the issue of higher education affordability is merited. Many higher education leaders and policymakers acknowledge that much room for improvement exists but question whether their states deserve a failing grade in affordability. Affordability is a relative concept; it is the responsibility of policymakers to determine the proportion of educational costs that families should reasonably be expected to pay based on the private benefits of a college degree and the public good of an educated citizenry. Following this, policymakers must agree upon a working definition of affordability and consider systems of financing that make some form of higher education both affordable and accessible to all.

Comparisons Across the Regions

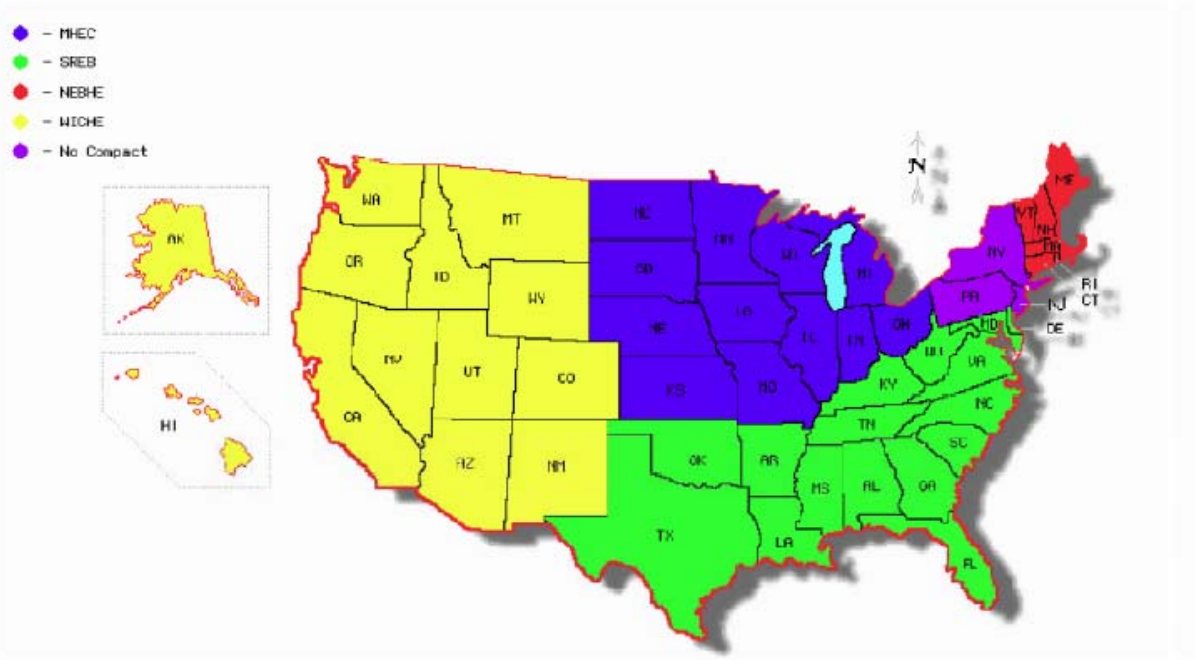
With the exception of New York, Pennsylvania, and New Jersey, every state belongs to one of the four regional higher education compacts. North Dakota and South Dakota are members of both MHEC and the Western Interstate Commission for Higher Education (WICHE). For analysis in this publication the data from these states is including only in the calculations for MHEC. Regional comparisons can be made enabling policymakers to see where the Midwest stands relative to other parts of the country.

Exhibit 4. Listing of states by regional higher education compact

Midwestern Higher Education Compact (MHEC)	New England Board of Higher Education (NEBHE)
Illinois	Connecticut
Indiana	Maine
Iowa	Massachusetts
Kansas	New Hampshire
Michigan	Rhode Island
Minnesota	Vermont
Missouri	
Nebraska	
North Dakota	
Ohio	
South Dakota	
Wisconsin	

Southern Regional Education Board (SREB)	Western Interstate Commission for Higher Education (WICHE)
Alabama	Alaska
Arkansas	Arizona
Delaware	California
Florida	Colorado
Georgia	Hawaii
Kentucky	Idaho
Louisiana	Montana
Maryland	Nevada
Mississippi	New Mexico
North Carolina	North Dakota
Oklahoma	Oregon
South Carolina	South Dakota
Tennessee	Utah
Texas	Washington
Virginia	Wyoming
West Virginia	

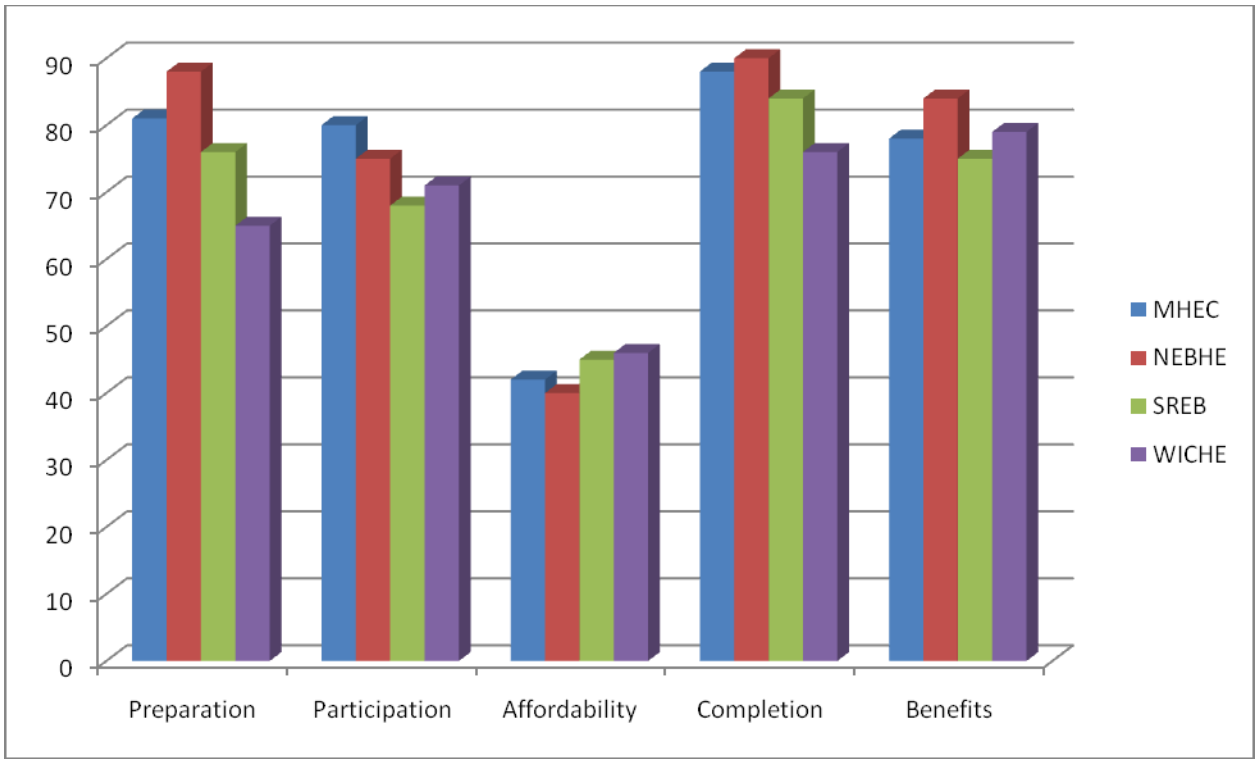
Exhibit 5. Geographic representation of regional compacts



Regional Comparisons by Category for 2008

The chart below compares the four regional higher education compacts based on their average state index scores. Composite state grades were calculated by averaging the final index score of each indicator. Learning index scores were not calculated for comparison purposes. The New England Board of Higher Education (NEBHE) states lead the compacts on the measures of preparation, completion, and benefits. MHEC is the leader in participation. MHEC also ranks second in preparation and completion. The Western Interstate Compact for Higher Education (WICHE) states lead nationally in affordability followed by states of the Southern Regional Education Board (SREB).

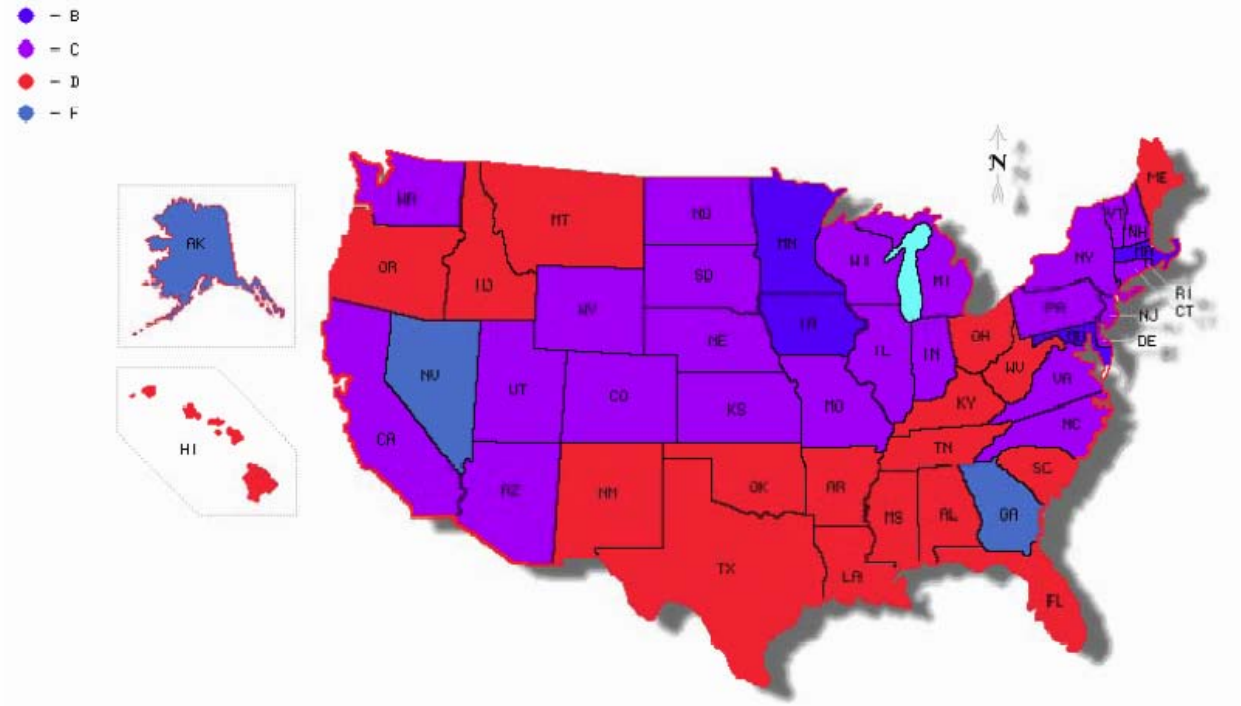
Exhibit 6. Average grading of regional higher education compacts by category



Collectively, MHEC states improved their scores from 2006 to 2008 in all categories except affordability. Within MHEC states, areas needing improvement are obscured by the compact averages. For example, Indiana, Iowa, Minnesota, Nebraska, and Wisconsin have seen a decrease in preparation scores since the 2006 assessment; North Dakota has declined in participation; and North Dakota and Iowa have seen a decline in completion.

Composite Grades for States and Regions

Exhibit 7. Composite state grades



Composite state grades were calculated by averaging the final index scores of each indicator. Learning indicator scores were not included in the composite grade. Letter grades were then assigned based on the grading scale outlined in *Measuring Up*. The highest score earned by any state was B-. Three states earned failing grades. Across the states, low grades are largely a result of low scores in affordability indicators.

Regional composite grades were calculated by averaging the composite scores of the member states. MHEC and NEBHE were the highest performing compacts with grades of C, which was matched by the composite score of the three unaffiliated states. SREB had the lowest composite score with a grade of D+. The national composite score is C-.

National	C-
MHEC	C
NEBHE	C
SREB	D+
WICHE	C-
No Affiliation	C

How MHEC States Measure Up

It is important to disaggregate or "breakdown" category grades, as both areas of success and areas needing improvement are sometimes masked by averages. This section addresses each of the six graded categories of *Measuring Up* in the order they are presented in the national report— Preparation, Participation, Affordability, Completion, Benefits, and Learning. In each category, the 12 states in the Midwest are listed in order by grade along with descriptions of the corresponding indicators.

The introduction to each category looks at the states in two ways. First is an examination of how MHEC states fare relative to the nation. Second is a consideration of which states have improved over time. The National Center provides tables comparing actual measures from prior years to those same measures today.

Commentary on each of the categories addresses items such as where the region can improve; areas where limited data prevent a full picture from emerging; and examples of states that appear to be bucking a trend. For example, in some areas the full story is not told due to limited data or the exclusion of certain measures. We also identify areas where indicator scores differ from what might be expected given overall category grades.

PREPARATION

How Well are Students in the Midwest Prepared for College?

Postsecondary success is to a certain extent a function of adequate preparation in the elementary and secondary education system. Overall, MHEC states perform well in this area. Since the 2006 assessment, overall scores for preparation have decreased slightly for Wisconsin, Iowa, and Nebraska, while Kansas, Missouri, and Michigan have seen a score increase. Since 2002, six of the MHEC states have seen decreases in their overall preparation scores, while only three have shown improvements.

The following exhibit shows the letter grades that each MHEC state earned in each *Measuring Up* report from 2002 to 2008. The arrows to the right of the 2008 column indicate whether a state's grade has increased, decreased, or remained consistent between the 2006 and 2008 reports. The U.S. Rank category shows where each MHEC state's composite index score ranks in comparison to all 50 states. Below the exhibit, the five states (among all states) with the highest composite scores are listed for comparison.

Exhibit 8. Preparation grades for MHEC states, 2002 to 2008

STATE	Rank	2002	2004	2006	2008	
						Change
Wisconsin	**9**	A-	B+	B+	B	▼
South Dakota	**10**	C	B	B	B	—
Illinois	**12**	B+	B+	B	B	—
Iowa	**13**	B+	B+	B+	B	▼
Kansas	**15**	B	B	B-	B	▲
Minnesota	**16**	B-	B+	B	B	—
Nebraska	**18**	B	B+	B	B-	▼
North Dakota	**20**	B	B	B-	B-	—
Ohio	**24**	C+	C+	B-	B-	—
Missouri	**31**	B-	B-	C	C+	▲
Indiana	**35**	C-	C	C	C	—
Michigan	**40**	B+	C	C-	C	▲
TOP STATES: *Massachusetts, Connecticut, Maryland, Vermont, Colorado*						

Preparation grades for each state are based on 12 indicators, each carrying a different weight based on its relative importance. Indicators for preparation and their respective weights are listed below.

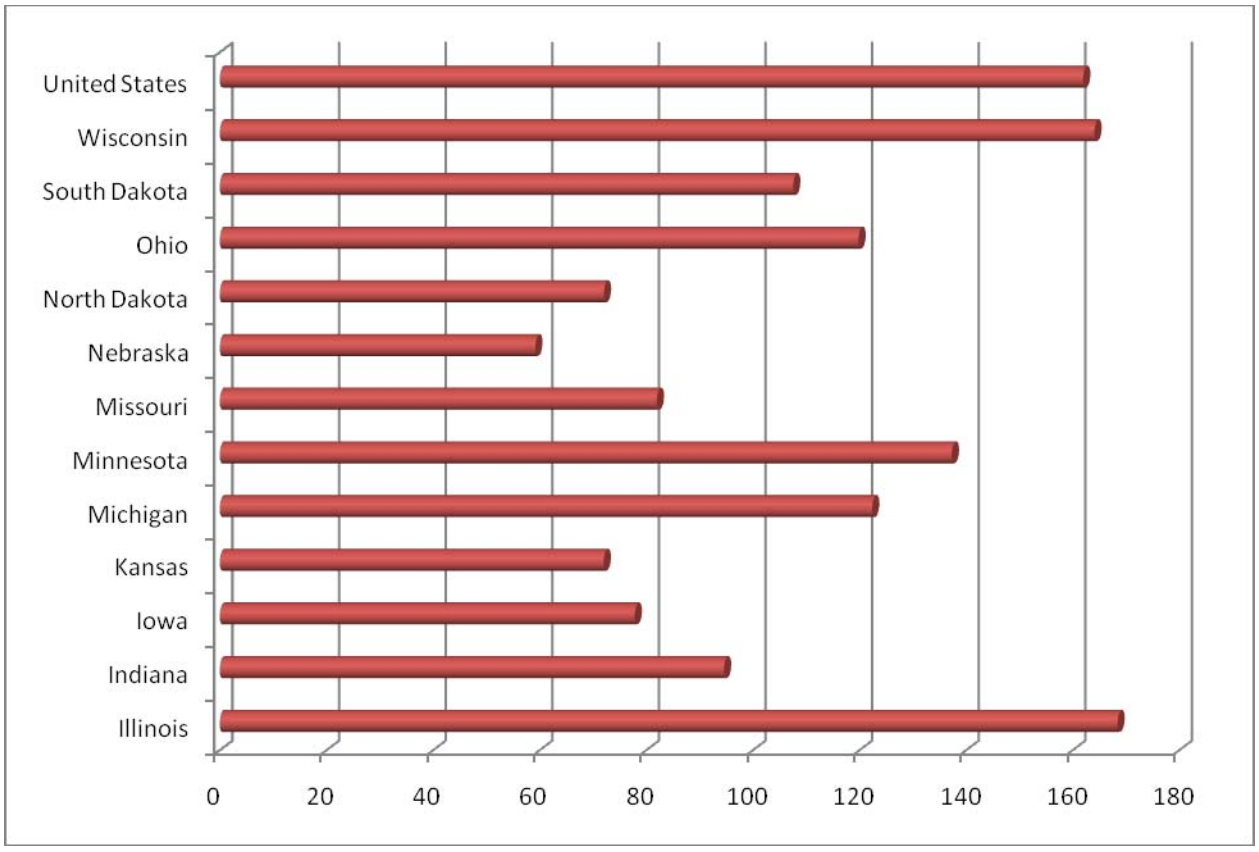
Exhibit 9. Weighting guide for preparation indicator

Preparation Indicator	Weight (%)
Percentage of 18- to 24-year olds with high school credential	25.00
Percentage of 9th to 12th graders taking at least one upper level math course	8.75
Percentage of 9th to 12th graders taking at least one upper level science course	12.86
Percentage of 8th graders taking algebra 2005	8.57
Percentage of 8th graders scoring at or above "Proficient" on the National Assessment Exam Math 2007	3.50
Percentage of 8th graders scoring at or above "Proficient" on the National Assessment Exam Reading 2007	3.50
Percentage of 8th graders scoring at or above "Proficient" on the National Assessment Exam Writing 2007	3.50
Percentage of 8th graders scoring at or above "Proficient" on the National Assessment Exam Science 2005	3.50
Percentage of low income 8th graders scoring at or above "Proficient" on the National Assessment Exam Math 2007	3.50
Number of scores in top 20% on SAT/ACT per 1,000 high school graduates	8.75
Number of scores of 3 or higher on an Advanced Placement Subject Test per 1,000 high school juniors and seniors 2006-07	8.75
Percent of 7th to 12th graders taught by teachers w/ major 2003-04	10.00

Where Can We Improve?

Across the United States, 162 students earn a score of three or higher on an Advanced Placement (AP) exam for every 1,000 students enrolled in school. Among the 12 MHEC states, only Wisconsin and Illinois score above this national average. MHEC states can make strides to improve this score by increasing AP course offerings. In 2000, over 40 percent of U.S. high schools reported not offering any AP courses (Bernholc et al. as reported in Thompson & Rust, 2007). Positive correlations have been found between students who take AP courses in high school and college attendance completion (Ndura, Robinson, & Ochs, 2003).

Exhibit 10. Students scoring 3 or higher on AP exams for every 1,000 students enrolled in school



PARTICIPATION

To What Extent Are Citizens of the Midwest Going to College?

While preparation measures a student's ability to make plans for postsecondary study, participation measures the extent to which students enroll in higher education and their level of attendance. The MHEC region scores highest among the higher education compacts in participation. Only Ohio received a grade below the national average index score. Scores for Iowa, North Dakota, Minnesota, South Dakota, Nebraska, and Kansas are in the top ten among all states for 2008. Despite leading the compacts in participation, all MHEC states except Iowa saw a decrease in the letter grade for participation between 2006 and 2008.

Exhibit 11. Participation grades for MHEC states, 2002 to 2008

STATE	US Rank	2002	2004	2006	2008	
						Change
Iowa	**2**	B+	B+	A-	A	▲
North Dakota	**3**	B	A-	A	B+	▼
Minnesota	**4**	C+	A	A	B	▼
South Dakota	**5**	B-	B+	A	B	▼
Nebraska	**6**	A	A	A	B	▼
Kansas	**8**	A-	A	A	B-	▼
Wisconsin	**13**	B	B	A-	C+	▼
Illinois	**14**	A	A	A	C	▼
Michigan	**21**	B+	B+	A-	C	▼
Indiana	**23**	C+	C+	C+	C	▼
Missouri	**24**	C+	B+	B	C	▼
Ohio	**32**	C+	C+	B-	C-	▼
TOP STATES: *Arizona, Iowa, North Dakota, Minnesota, South Dakota*						□

Three indicators were used to determine each state's participation grade. Indicators and their respective weights are listed below.

Exhibit 12. Weighting guide for participation indicator

Participation Indicator	Weight (%)
Chance for college by age 19, 2006	33.00
Percent of 18- to 24-year-olds enrolled in college, 2007	33.00
Enrollment of 25- to 49-year-olds as a percentage of 25- to 49-year-olds with no bachelor's degree or higher, 2007	33.00

Between the Lines

MHEC states, on average, perform strongly in participation. Their relatively high scores largely reflect the increase in ninth graders who enroll in college within four years. However, the scores do not note differences in participation among socioeconomic or racial groups. Additionally, many states across the nation have seen a decrease in the percentage of 25- to 49-year olds without bachelor's degrees enrolled in higher education. This is a troubling statistic given the growing need for adults to be continually learning and honing their skills to improve their employability in a rapidly changing labor market.

Exceptions to the Rule

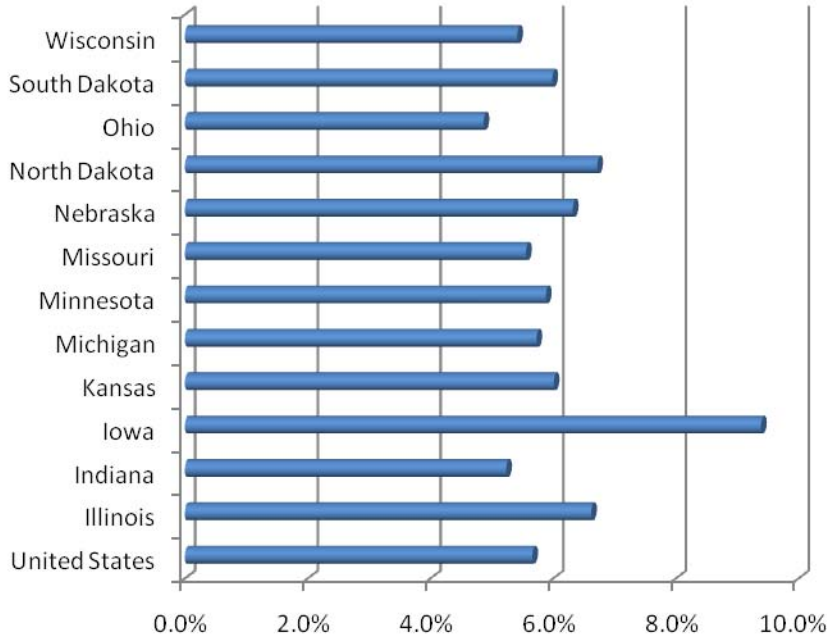
Michigan's participation grade dropped from an A- in 2006 to a C in 2008; however, the percentage of 18- to 24-year-olds enrolled in college increased in Michigan from 25 percent in 2006 to 37 percent in 2008. The change in grade is due, in part, to a low enrollment of 25- to 49-year-olds with no bachelor's degree.

Where Can We Improve?

Midwestern states have made some improvements since 2006 to increase the percentage of 25- to 49-year-olds with bachelor's degrees. In 2006, only five MHEC states ranked above the national average on this measure. In 2008, seven states were equal to or greater than the national average of 5.7 percent; however, all MHEC states with the exception of Iowa fell below the benchmark set by the top states (8.9 percent).

The U.S. Department of Education predicts that adult enrollment in higher education will increase by two million students by 2014. Research indicates that a large percentage of these entering students are and will continue to be female and non-minorities (Guidos & Dooris, 2008). Greater efforts should be made by MHEC states to bring additional people of color and adult males of all races into the postsecondary education system.

Exhibit 13. Enrollment of 25- to 49-year-olds as a percentage of 25- to 49-year-olds who have not earned a bachelor's degree, 2007



AFFORDABILITY

How Affordable is Higher Education in the Midwest?

Every MHEC state received a failing grade for affordability. With the exception of California, all states in the United States received a failing affordability grade for 2008. Of the four compacts, MHEC outperforms only NEBHE for regional affordability. In 2006, seven of the 12 MHEC states performed above the national composite score in affordability. For 2008, only four states matched or outperformed the *Measuring Up* composite score.

As seen below, affordability grades have fallen for most MHEC states since 2002. These falling grades are a reflection of budget cuts to higher education and the resulting tuition increases. These changes in affordability have had the most negative impact on low-income students.

Exhibit 14. Affordability grades for MHEC states, 2002 to 2008

STATE	Rank	2002	2004	2006	2008	
Illinois	**5**	B	D	F	F	–
Minnesota	**8**	B	C-	D	F	▼
Indiana	**10**	D+	D	F	F	–
Wisconsin	**26**	C	D	F	F	–
Kansas	**31**	C-	F	F	F	–
Michigan	**35**	D+	F	F	F	–
Nebraska	**36**	D	F	F	F	–
Missouri	**39**	D+	F	F	F	–
Iowa	**40**	C	F	F	F	–
Ohio	**41**	F	F	F	F	–
South Dakota	**46**	F	F	F	F	–
North Dakota	**48**	D	F	F	F	–
TOP STATES: *California, New Jersey, Washington, North Carolina, Illinois*						□

Affordability was measured by four indicators. Family ability to pay accounts for 50 percent of the total affordability score. Six measures were used to compute this indicator, with the weight of each measure determined individually for each state based on the proportion of students enrolled at different types of colleges and universities.

Exhibit 15. Weighting guide for affordability indicator

Affordability Indicators	**Weight**
Family Ability to Pay Composite Index Score	50%
• Percentage of family income needed to pay for one year in a public 2-year college after financial aid, 2007-08	
• Percentage of family income needed to pay for one year in a public 4-year college after financial aid, 2007-08	
• Percentage of family income needed to pay for one year in a private not-for-profit 4-year college after financial aid, 2007-08	
State need-based aid as a percent of federal Pell Grants, 2007-08	20%
Average loan amount that undergraduate students borrow, 2006-07	10%
Share of income that poorest families pay for tuition at lowest priced colleges, 2007-08	20%

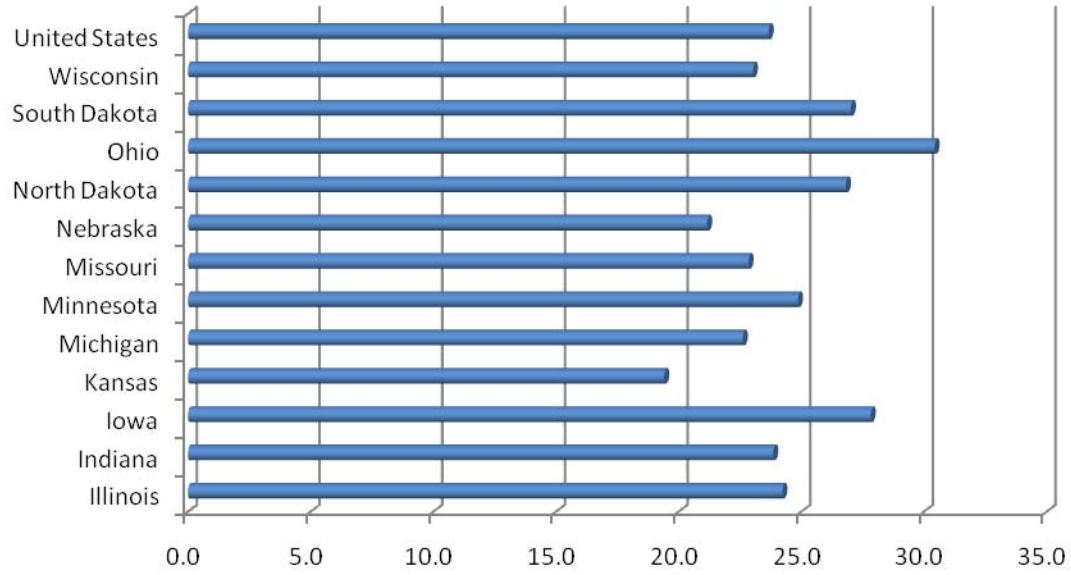
Exceptions to the Rule

Ohio and Illinois both rank in the top ten states for family ability to pay for a public four-year education. Ohio also ranks in the top ten for family ability to pay for a public two-year education.

Where Can We Improve?

Any discussion of affordability must consider tuition levels, the availability of need-based grants, and family income. Some states set tuition levels relatively low and offer little in the way of need-based aid while other states set tuition levels relatively high and operate substantial student aid programs. For example, in 2008, Illinois, Indiana, Minnesota, Ohio, and Wisconsin all scored above the national average in the amount of need-based grant aid made available to students. However, states that follow a "high need, high aid" model must ensure that any increase in tuition is met with a concomitant increase in financial aid. Students and families lose out when tuition levels rise faster than the availability of need-based aid.

Exhibit 16. Family ability to pay, public two-year institutions



Source1: NCES IPEDS Peer Analysis System (http://www.nces.ed.gov/ipedspas/), IPEDS 2007-08 ic2007_ay Early Release Institutional Characteristics File Downloaded 04-28-08.

Source2: NCES IPEDS Peer Analysis System (http://www.nces.ed.gov/ipedspas/), IPEDS Fall 2006 ef2006a Early Release Enrollment File Downloaded 12-21-07.

Source3: NCES IPEDS Peer Analysis System (http://www.nces.ed.gov/ipedspas/), IPEDS 2006-07 sfa0607 Early Release Student Financial Aid File Downloaded 07-22-08.

Source4: U.S. Department of Education, National Center for Education Statistics, 2003–04 National Postsecondary Student Aid Study (NPSAS:04).

Source5: Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander. Integrated Public Use Microdata Series: Version 4.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2008. http://usa.ipums.org/usa/ Data Based on U.S. Census Bureau, 2006 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

COMPLETION

To What Extent are Students in the Midwest Completing Their Degrees?

Participation data is used to measure the number of students who enter higher education in the United States while completion data measures how many students are retained through graduation. Individuals who complete bachelor's degrees will realize greater economic returns throughout a lifetime than those who do not complete degree programs. Among regions, MHEC ranks second behind NEBHE for its composite completion score.

Ten of the twelve MHEC states score higher than the national *Measuring Up* composite score for completion in 2008. Iowa, Minnesota, North Dakota, and Wisconsin all rank within the top ten states. Iowa is the highest scoring state in the nation with a completion score of 100.

Exhibit 17. Completions grades for MHEC states, 2002 to 2008

STATE	US Rank	2002	2004	2006	2008	
						Change
Iowa	**1**	A	A	A	A	—
Minnesota	**3**	B+	B+	A	A	—
North Dakota	**5**	B	B	B	A	▲
Wisconsin	**9**	B	A-	A	A-	▼
Nebraska	**12**	C+	B	B+	B	▼
Illinois	**15**	B-	B	B+	B+	—
Kansas	**19**	B-	B	B+	B	▼
South Dakota	**20**	B-	B	B+	B	▼
Missouri	**21**	B-	B	B+	B	▼
Indiana	**28**	B-	B	B+	B-	▼
Ohio	**31**	B-	B	B	B-	▼
Michigan	**35**	C	C+	B	C+	▼
TOP STATES: *Iowa, Rhode Island, Minnesota, Wyoming, North Dakota*						

Completion is measured through the five indicators listed below. Each category is weighted according to its relative importance.

Exhibit 18. Weighting guide for completion indicator

Completion Indicators	Weight
Undergraduate awards at all colleges and universities per 100 undergraduate students, 2006-07	26.67%
Freshman at 2-year colleges returning their 2nd year, fall 2007	10%
Freshmen at 4-year colleges returning their 2nd year, fall 2007	10%
First-time, full-time students completing a bachelor's degree within 6 years, 2007	26.67%
Undergraduate awards per 1000 18-44 year-olds with no college degree, 2006	26.67%

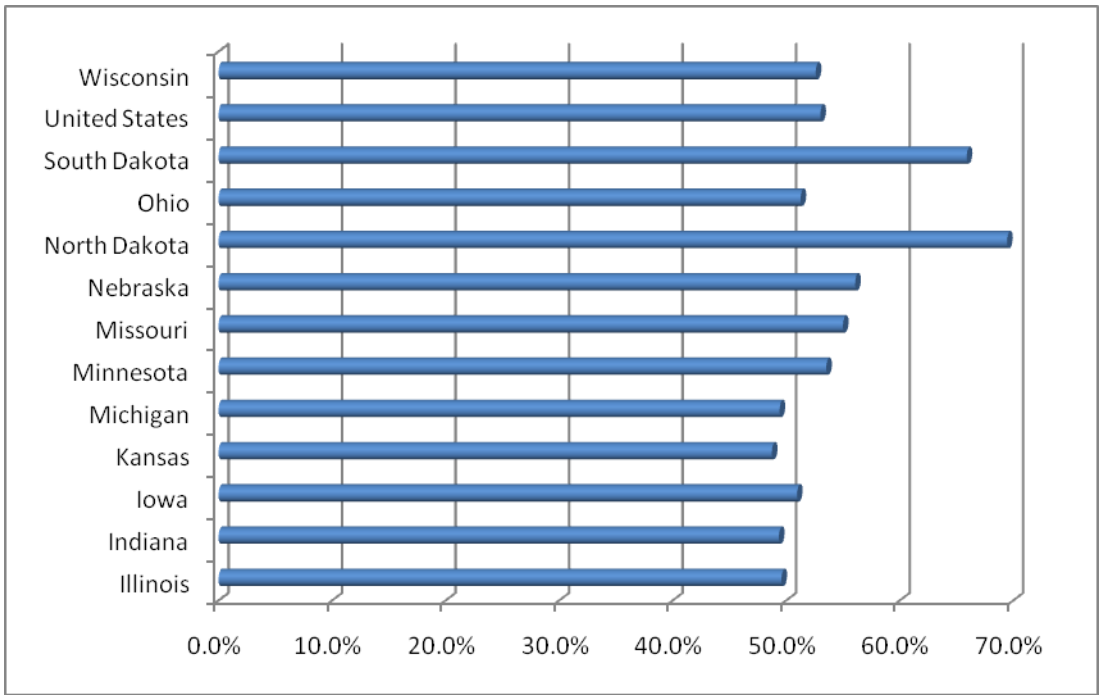
Exceptions to the Rule

Nebraska is one of four states nationally to significantly improve in the number of first time, full-time students to complete a bachelor's degree within six years of college entrance. According to *Measuring Up*, the number of students earning certificates or degrees in six years has increased from 44 percent to 56 percent between the 1990s and 2008.

Where Can We Improve?

Seven of the twelve MHEC states fall below the national average for the number of first-year students who return for their second year of studies at two-year colleges. North Dakota ranks highest among all states on this measure; South Dakota ranks third among all states.

Exhibit 19. Freshman at 2-year colleges returning their 2nd year, fall 2007



BENEFITS

To What Extent are Students in the Midwest Benefiting from College?

The economic and societal benefits of a college degree in the United States have been studied for more than five decades. Positive correlations exist between degree completion and wages. Those who hold college degrees are less likely to be unemployed, and when they are without jobs, their duration of unemployment is shorter. In *Measuring Up*, the benefits category means more than employment and wages. Benefits of a college education include an increased likelihood of voting, making charitable contributions, volunteering, and improved literacy.

In 2008, MHEC ranked similarly to other compacts in the area of benefits. While the letter grade score for benefits has decreased for all MHEC states except Iowa, *Measuring Up* reports that no states have declined in the key indicator of 25- to 64-year-olds with at least a bachelor's degree. Furthermore, South Dakota, Iowa, and North Dakota all saw significant improvement in the percentage of 25- to 64-year-olds with a bachelor's degree or higher since 2006.

Exhibit 20. Benefit grades for MHEC states, 2002 to 2008

STATE	Rank	2002	2004	2006	2008	
						Change
Michigan	**7**	B+	A-	A-	B+	▼
Minnesota	**11**	A-	A	B+	B	▼
Illinois	**13**	B-	B-	A	B	▼
Nebraska	**17**	C	B	B+	B	▼
Iowa	**21**	C+	C	C	C+	▲
Kansas	**22**	C+	B+	B+	C+	▼
Missouri	**23**	D+	B	A	C+	▼
Ohio	**29**	C	B-	C+	C+	–
Wisconsin	**32**	C+	C+	B-	C	▼
Indiana	**40**	C	C	C	D+	▼
South Dakota	**44**	D+	C-	C+	D+	▼
North Dakota	**46**	C+	C	C+	D	▼
TOP STATES: *Maryland, Virginia, Massachusetts, Connecticut, New Jersey*						

Seven indicators that demonstrate economic and social benefits to the state are used to determine the score for benefits. Indicators and their respective weights are listed below.

Exhibit 21. Weighting guide for benefits indicator

Benefits Indicators	Weight
Percent of 25- 64-year-olds with a bachelor's degree or higher, 2006	18.75%
Percent of eligible population voting, 2004-06	10.50%
Percent difference in personal income base due to population holding at least a bachelor's degree, 2006	18.75%
Percent of population declaring charitable gifts who itemize on federal income taxes, 2005	10.38%
Percent difference in personal income base due to population with some college or an associate's degree, but no bachelor's degree, 2006	12.50%
Difference in volunteer rates: College educated vs. high school graduates, 2005-07	10.38%
Percent of 25- 64-year-olds with an associate's degree or higher, 2006	18.75%

Between the Lines

Nebraska and Iowa rank among the top ten states for the difference in volunteer rates between individuals with a college degree and those with a high school diploma but no degree. Nebraska scores second in the nation behind Utah for this measure while Iowa is the third highest ranking state.

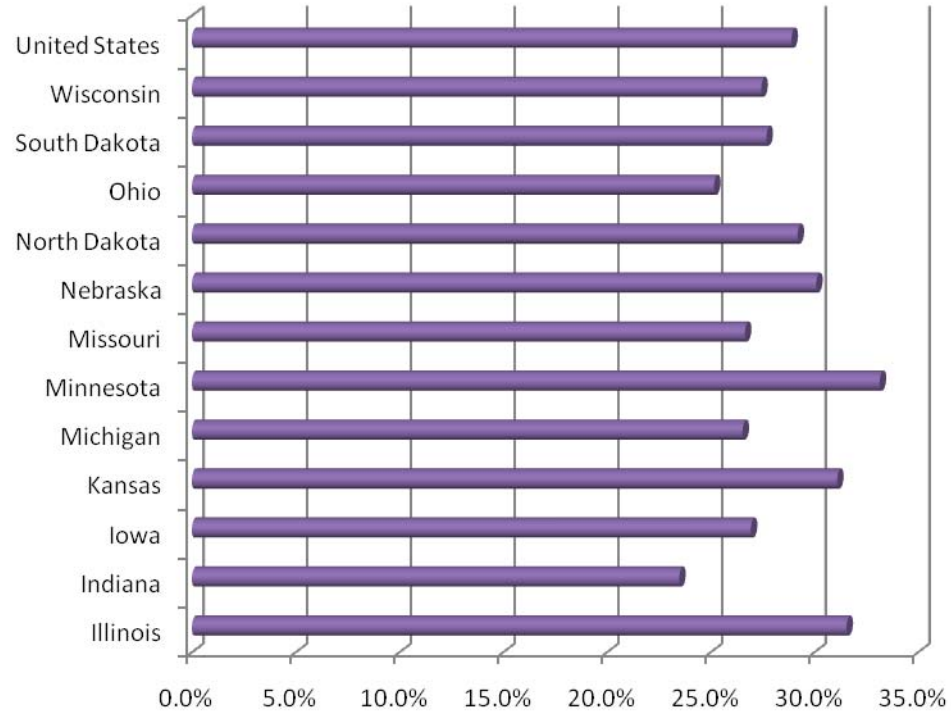
Exceptions to the Rule

North Dakota and South Dakota carry some of the lowest scores in the country for the percent difference in personal income due, in part, to the percentage of the population holding a bachelor's degree. This could be due to the structure of the economy in these states with a greater than average percentage of jobs requiring a high school diploma or associate's degree.

Where Can We Improve?

While some states are showing significant improvement in the percentage of their population holding bachelor's degrees, there is room for additional growth. Despite some increases, only four MHEC states rank above the national average for the percentage of 25- to 64-year olds with at least a bachelor's degree. As manufacturing jobs become less prevalent in the MHEC states, education becomes increasingly important to move the region forward.

Exhibit 22. Percent of 25- to 64-year olds with a bachelor's degree or higher, 2006



LEARNING

A dearth of reliable, measurable, comparable data makes it impossible to score learning among states at the present time. However, many states are attempting to gather reliable information to measure student learning. Since 2006, some states have begun to use the Voluntary System for Accountability to assess student learning. While these efforts are commendable, Dr. Peter Ewell reports in *Measuring Up* that not much of the information can be used to shape state policy. Dr. Ewell asserts that these efforts are likely being made to prevent the U.S. Department of Education from creating new reporting requirements on learning through accreditation.

Within the Midwest region, South Dakota stands out as the exception to the rule. Rising college juniors in public institutions are required to complete a learning assessment, and all students must meet an acceptable score on the Collegiate Assessment of Academic Proficiency before receiving a degree. These assessments are a positive step toward comparative evaluation.

Two assessment models, the Collegiate Learning Assessment and the Professional Licensure Model, could be used to improve the measurement of learning across states. These models are being used by a number of individual institutions in the region. The Collegiate Learning Assessment (CLA) is a pre-test and post-test assessment of critical thinking and analytic reasoning. A consortium of independent

colleges is presently using the CLA to measure the value added to critical thinking and writing in relation to programmatic efforts by participating institutions. Presently, 47 colleges and universities are participating in this ongoing assessment, including 21 from MHEC states.

Professions requiring that their members be licensed have also devised ways to measure student learning. The Professional Licensure Model assesses student learning in specific content areas. While there is no pre-test to which scores are compared, the specific nature of the assessment can be a good indicator of value added. Currently, fields such as law, nursing, pharmacy, and teaching all require licensure. These assessments could be a good base for assessing student learning on a national level.

Exhibit 23. Learning grades for MHEC states, 2002 to 2008

STATE	2002	2004	2006	2008
Illinois	I	I	I	I
Indiana	I	I	I	I
Iowa	I	I	I	I
Kansas	I	I	I	I
Michigan	I	I	I	I
Minnesota	I	I	I	I
Missouri	I	I	I	I
Nebraska	I	I	I	I
North Dakota	I	I	I	I
Ohio	I	I	I	I
South Dakota	I	I	I	I
Wisconsin	I	I	I	I

Policy Implications

Over the past few decades the proportion of Americans with a college degree has remained stagnant while other nations have experienced significant growth. While the United States leads the world in the proportion of college educated adults between the ages of 55 and 64, the nation ranks tenth in the percentage of young adults holding a college degree and near the bottom in the percentage of entering college students who actually graduate. Of the 30 industrialized nations in the Organisation for Economic Cooperation and Development (OECD), only two have more highly educated older adults than younger adults. The United States is one of those two countries.

According to an analysis by the National Center for Higher Education Management Systems (NCHEMS), the United States will need to produce more than 60 million degrees over the next 15 years to bring its degree attainment rate to 55 percent to match the productivity rate of leading nations. With no changes, the United States will produce approximately 40 million new graduates by 2025, which is 20 million fewer than what is needed to reach the target 55 percent attainment rate.

To achieve this goal we must improve significantly the rates of high school graduation, college entrance, and, most importantly, degree completion. We must also help the millions of adults with some college experience to complete their degrees and help those with a high school diploma obtain some form of postsecondary credential. All of this must be done in a manner that does not require a significant infusion of additional resources since resources are in short supply. Likewise, the public has lost its patience with colleges and universities raising tuition at rates that exceed inflation.

Without significant changes, the nation's higher education system as it currently exists is too costly to meet the challenge of producing millions of additional postsecondary credentials. Better investment has the potential to generate substantially better results. However, significant gains in productivity will likely not occur without bold, novel thinking and strategies. Changes will require difficult conversations among stakeholders with often competing interests. However, it is clear that we must have these difficult and sometimes uncomfortable conversations if we are to achieve the goal of producing millions of additional college graduates.

In the process we must find ways to make our institutions more productive by reducing the per-unit cost of delivering education and training. Accomplishing this objective will require a fundamental change in the way higher education does business. This will require intense dialogue about delivery systems, institutional structure, governance, and culture that will enable creative approaches to problem solving. We must question assumptions and challenge long held beliefs while acknowledging and respecting the people, practices, and traditions that have served us well over the years. With the right combination of leadership, cooperation, and determination, we can meet the challenges facing us and ensure a strong, competitive, and vibrant Midwest into the foreseeable future.

Midwestern Higher Education Compact
1300 South Second Street
Suite 130
Minneapolis, MN
55454-1079
Phone: (612) 626-8288
Fax: (612) 626-8290
http://www.mhec.org

PRSRT STD
U.S. POSTAGE
PAID
MAILED FROM
ZIP CODE 55101
PERMIT NO. 6885