Center for American Progress

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Easy Come, EZ-GO

A Federal Role in Removing Jurisdictional Impediments to College Education

Brian A. Sponsler, Gregory S. Kienzl, and Alexis J. Wesaw October 2010

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Introduction and summary

Our nation needs more college graduates to remain competitive in a knowledge-driven global economy. Only 38 percent of the U.S. working-age population—those individuals between the ages of 25 and 64—held a two- or four-year postsecondary education degree in 2008, the last year for which complete data are available, with little evidence the situation improved during the Great Recession.[1] This level of educational attainment is inadequate to meet labor market demands. A recent report from the Georgetown University Center on Education and the Workforce forecasts that in the coming decade, 63 percent of all jobs will require at least some postsecondary education.[2]

Absent significant changes in educational attainment, notes the report, the U.S. labor market will face a shortage of adequately educated workers, a condition that will slow economic development and severely limit productivity gains.[3] With demand for postsecondary skills on course to outpace the supply of college graduates, federal and state policymakers, national education leaders, and prominent foundations are challenging America's higher education institutions to significantly increase the number of individuals graduating from college. In short, the United States has a college-degree attainment problem—a condition that threatens the nation's future economic and civic vitality.

Responding to our college-degree attainment challenge

Responding to the link between postsecondary education and economic productivity, government policymakers and private-sector and nonprofit groups are implementing a number of initiatives aimed at increasing educational attainment among the American public. By and large, these actions have taken place at the state level, which at first glance makes sense.

From a financial and policymaking perspective, historical precedent suggests state-based policy is central to addressing the challenge of increasing the number of Americans with a postsecondary degree because states provide the overwhelming majority of funding to postsecondary institutions. As such, delineating state-based

educational needs and cataloging state policy innovations have appropriately drawn the lion's share of public attention and foundation funding.

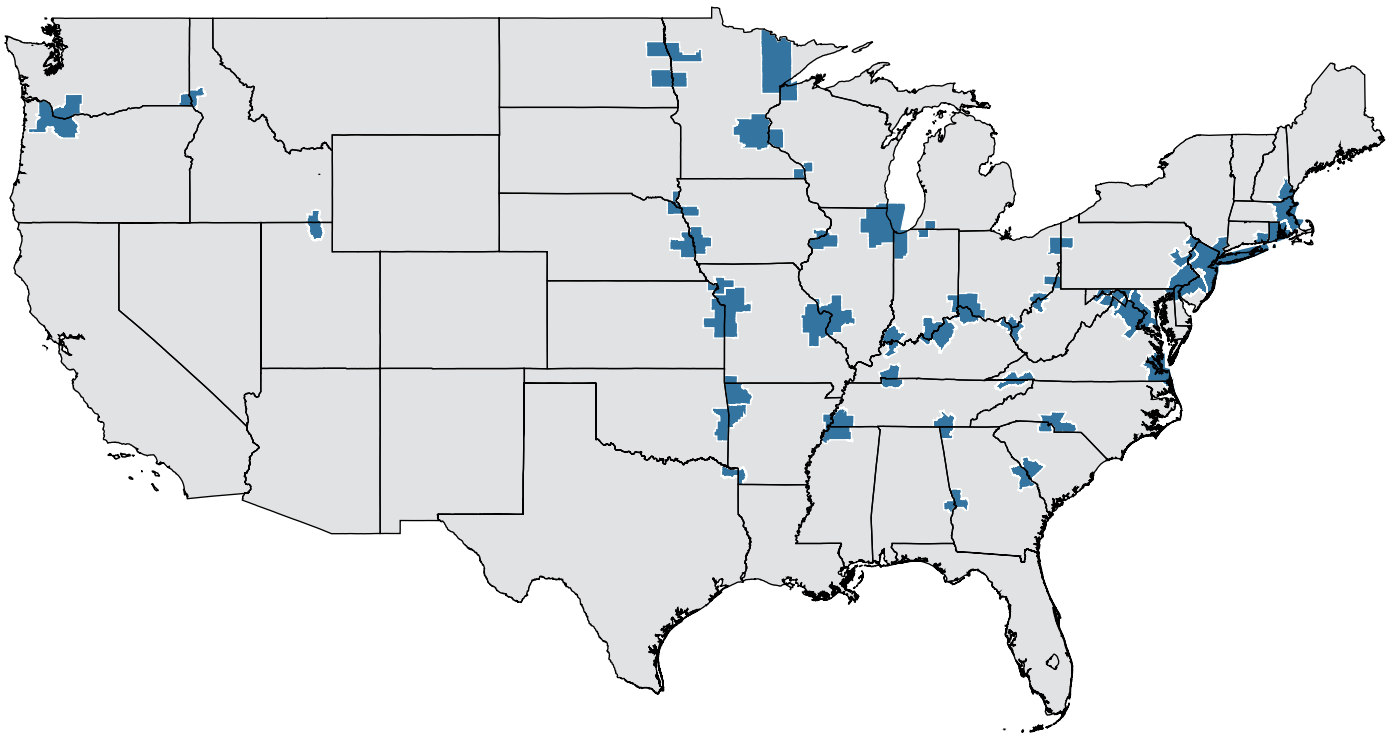
Although laudable, state-based strategies for reaching required college-degree attainment goals run the risk of overlooking the critical role metropolitan centers must play in reaching these targets. Moreover, given the jurisdictional nature of postsecondary policy, states are ill-equipped to effectively manage an important subset of metropolitan America—metro regions that cross state boundaries.

The challenge of multistate metropolitan spaces

The reliance on a state-based framing of national educational attainment goals is less than ideal for multistate metropolitan regions, defined as metro regions that include counties from at least two states. There are 44 multistate metropolitan areas, critical population and economic centers scattered across the U.S. geographic landscape (see Figure 1, which maps these multistate metro regions).

FIGURE 1

Forty-four metropolitan regions that cross state boundaries



Source: U.S. Census Bureau.

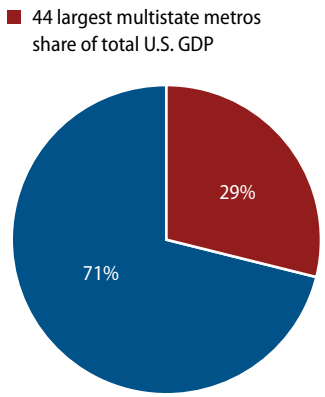
These multistate metro areas accounted for 29 percent of national gross domestic product in 2008 and 67.5 million people live in these areas, making them vital engines of economic development for the nation.[4] Increasing college-degree attainment to the desired 60 percent level in multistate metro areas will require more than 11.3 million additional degrees.[5]

Multistate metropolitan spaces are fluid, with permeable (nonpolitical) boundaries between cities, counties, and states. Integrated transportation networks move residents among and between commercial and cultural activities, as people shop, attend sporting events, and seek services in varying parts of their region. Fifty-eight percent of all metropolitan workers commute to a job within the metro region but in a different city or town from where they live.[6] Residents consume metrowide media in the form of newspapers and television stations, fly in and out of regional airports, and share natural resources—air, water, parks—for economic and recreational activities. All told, metropolitan regions are integrated areas where residents move about freely, creating integrated economic and social communities.[7]

FIGURE 2

Multistate metro share of total U.S. gross domestic product

44 multistate metropolitan areas, 2008



Yet in these vibrant multistate regions, students face complex postsecondary education markets due to the state-based nature of postsecondary governance arrangements—college markets that in many cases are unaligned with regional economies, educational need, and residential patterns.

Three policy domains exemplify the challenge of state-centered management of public postsecondary education for students residing in multistate metropolitan areas:

State-based financial aid — To spur economic and civic development, state-based financial programs incentivize in-state college attendance, but the lack of portability of these aid programs restricts student mobility in multistate metro areas.

Resident-based tuition policy — Residency-based tuition provides a strong fiscal incentive for students to remain in state for postsecondary education, while higher nonresident tuition effectively erects a financial barrier that dissuades out-of-state enrollments.[8] In multistate metropolitan regions, where the proximity of a postsecondary institution often does not conform to state lines, students may find the cost of attendance a strong disincentive to pursuit of a postsecondary degree.

Credit transfer — More than one out of two college students transfer to another school at least once during their academic careers.[9] Often this mobility involves a loss of some academic credit due to institutional and state policies that make it difficult for students to transfer credits.[10] The challenge of designing effective transfer

and articulation agreements is well known, especially as it pertains to an intrastate environment.[11] College transfers across state lines add to the complexity of the process, as students must navigate two discrete postsecondary systems and meet differing academic requirements.

The nature of postsecondary governance and policymaking at the state level is such that a student's place of residence largely shapes their options for affordable, public postsecondary education.

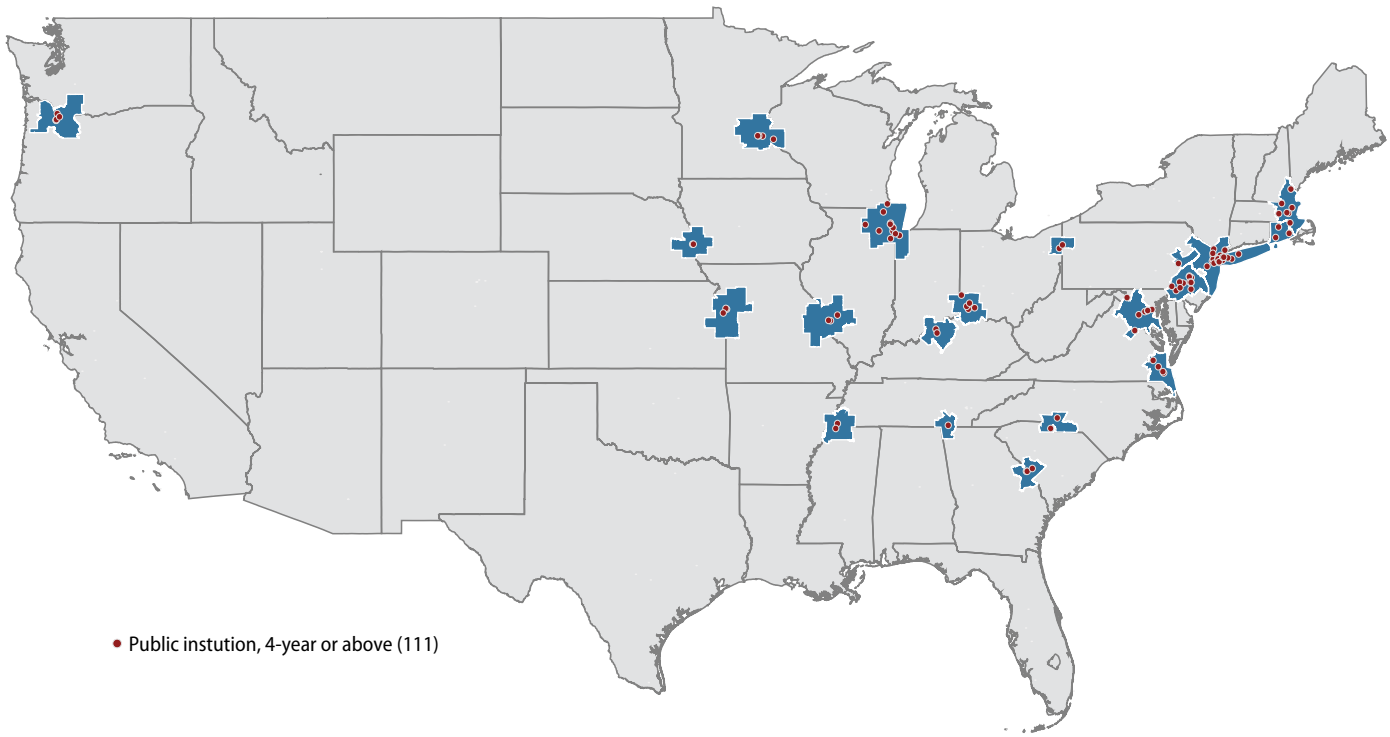
Identifying metropolitan areas of interest

Large multistate metropolitan regions

To identify where these barriers may be most pronounced, in terms of both the number of students potentially affected and demonstrated gaps in educational

FIGURE 3

Public four-year institutions in the 20 largest metropolitan regions that cross state boundaries



Source: U.S. Census Bureau and IPEDS Institutional Characteristics Survey Academic Year 2008–09.

attainment, our analysis in this paper focuses on the 20 largest metropolitan areas that cross state boundaries.

Figure 3 maps the 20 largest metropolitan regions of the nation (along with the public four-year institutions that reside within these metropolitan areas) that incorporate counties from two or more states. Notably, the multistate regions capture portions of states from all four higher education compacts, including seven Atlantic states, and several Western, Midwestern, and Southern states.

The 20 metro areas situated across state borders represent significant population centers and economic hubs of the nation. One out of five Americans live in these multistate metropolitan regions. Approximately one-quarter of all residents within these 20 cross-border metropolitan regions are under the age of 18, representing a substantial population of residents who will require postsecondary education in the future (see Table 1).

Moreover, in 2008 these areas contributed more than a quarter (27.5 percent) of U.S. gross domestic product—the total amount of goods and services produced in our economy—an amount greater than the combined economic output of 33 states (see Table 2).

In the metropolitan spaces highlighted in our analysis, educational opportunities are restricted by state borders. These restrictions are rational from the vantage

TABLE 1

Large interstate metropolitan statistical areas aggregates for educational and demographic data

Total population	66,227,000
Population 18 years old or younger	16,267,000
Population 18-24 years old	6,172,000
Population 25+ years old	43,788,000
Population 25+ with a high school diploma	13,551,000
Population 25+ with some college	8,403,000
Population 25+ with Associates degree	3,219,000
Population 25+ with Bachelor's degree	9,289,000
Population 25+ with a graduate degree	5,939,000
College eligible and college degree holder population	40,401,000
White college eligible and college degree holder population	28,057,000
Black college eligible and college degree holder population	5,420,000
Latino college eligible and college degree holder population	2,928,000
Other college eligible and college degree holder population	3,995,000
Population 25+ college degree holder	18,446,000
White population 25+ college degree holder	13,650,000
Black population 25+ college degree holder	1,801,000
Latino population 25+ college degree holder	931,000
Other population 25+ college degree holder	2,065,000
College eligible population	21,955,000
White college eligible population	14,408,000
Black college eligible population	3,619,000
Latino college eligible population	1,997,000
Other college eligible population	1,931,000
Overall gap	6,003,000
White gap	3,519,000
Black gap	1,451,000
Latino gap	826,000
Other gap	561,000
Attainment gap as a percent of population 25+ college eligible population	27%
White attainment gap as a percent of population 25+ college eligible population	24%
Black attainment gap as a percent of population 25+ college eligible population	40%
Latino attainment gap as a percent of population 25+ college eligible population	41%
Other attainment gap as a percent of population 25+ college eligible population	29%

point of state policymakers (who manage postsecondary education with provincial interests in mind) but are often unaligned with regional economic and social needs. To address this condition, the federal government has a role to play in coordinating a more regionally based approach to managing public postsecondary education in multistate metropolitan areas.

TABLE 2

Metropolitan muscle

The gross metropolitan product of the 20 largest multistate metropolitan economies in 2008 exceeded the combined output of 33 states

Total gross metropolitan product 20 largest multistate metros ($3.96 trillion)	Total gross state product 33 selected states ($3.92 trillion)	
Allentown (PA-NJ)	Alabama	Montana
Augusta (GA-SC)	Alaska	Nebraska
Boston (MA-NH)	Arizona	Nevada
Charlotte (NC-SC)	Arkansas	New Hampshire
Chattanooga (TN-GA)	Colorado	New Mexico
Chicago (IL-IN-WI)	Connecticut	North Dakota
Cincinnati (OH-KY-IN)	Delaware	Oklahoma
Kansas City (MO-KS)	Hawaii	Oregon
Louisville (KY-IN)	Idaho	Rhode Island
Memphis (TN-MS-AR)	Indiana	South Carolina
Minneapolis/St. Paul (MN-WI)	Iowa	South Dakota
New York City (NJ-NY-PA)	Kansas	Utah
Omaha (NE-IA)	Kentucky	Vermont
Philadelphia (PA-NJ-DE-MD)	Louisiana	West Virginia
Portland (OR-WA)	Maine	Wisconsin
Providence (RI-MA)	Mississippi	Wyoming
St. Louis (MO-IL)	Missouri	
Virginia Beach (VC-NC)		
Washington, DC (DC-VA-MD)		
Youngstown (OH-PA)		

Source: Bureau of Economic Analysis, U.S. Department of Commerce, 2008.

EZ-GO: Educational Zone Governance Organizations

A federal role in supporting college-degree attainment in metropolitan America

Increasing college-degree attainment in multistate metropolitan America represents a unique challenge. How should the nation best leverage the fluidity of large population centers with the goal of successfully getting more individuals into and through postsecondary degree programs? States historically retain jurisdictional responsibility for postsecondary education, yet multistate metro regions represent spaces for which state-based policy arrangements are ill-suited to serve national college-degree attainment goals. Rational state-based policy actions appropriately reward residency in the provision of public postsecondary education. Yet in so doing, state policy is mismatched with the permeable nature of multistate metro regions. Labor, capital, and social markets in these areas are regionally based. Postsecondary education markets should be as well.

Toward this end, Congress should create Educational Zone Governance Organizations in specific multistate metropolitan areas of the nation. EZ-GO areas would capture places in the nation where the federal government should coordinate and incentivize policymaking to take a regional approach to support increasing educational attainment.

To identify and manage EZ-GO areas, an EZ-GO Commission should be created. The EZ-GO Commission, authorized by congressional action and housed in the Department of Education, would provide independent advice and counsel to the authorizing committees and the secretary of education on matters relating to increasing college-degree attainment in critical metropolitan areas. The central purpose of the commission would be to identify and develop policy solutions to jurisdictional barriers unnecessarily restricting student access to postsecondary education in multistate metropolitan regions. In addition, the commission would play a role in implementing reforms and coordinating and facilitating state and local actors. Broadly, the commission should undertake three primary tasks:

- Ratify boundaries of multistate EZ-GO areas.
- Advise federal policymakers on actions to incentivize local actors.
- Redesign existing federal policies.

Let's look at each of these tasks briefly in more detail.

Ratify boundaries of multistate EZ-GO areas

The Commission should ensure these areas capture human capital, educational and economic need, and postsecondary institutional capacity. Building on the analysis undertaken in this paper, the EZ-GO Commission could identify appropriate indicators of regional mobility, economic conditions, and educational need to determine EZ-GO areas where interstate coordination of postsecondary education is likely to support college-degree attainment.

Advise federal policymakers on actions to incentivize local actors

The Commission should encourage cross-jurisdictional cooperation at the state level to reconfigure governance arrangements within identified EZ-GO areas in support of higher educational attainment goals. The federal government has a number of regulatory and fiscal policy levers at its disposal to incentivize interstate cooperation. Several suggestions of where federal action could be useful include:

- **Provide technical support to develop EZ-GO-wide articulation agreements.** A provision in the recently reauthorized Higher Education Act instructs the Department of Education to provide technical assistance to states to design effective within-system articulation agreements, which are designed to simplify the transfer of credits between higher education institutions.[12] This provision could be expanded to an interstate environment and be incentivized with funds and technical support to design and pilot within-EZ-GO articulation agreements. These new articulation agreements could include provisions for common college-course numbering, unified EZ-GO-wide application for admissions, and portable student financial aid across state lines.

- **Support capital investments to build up institutional capacities.** Many metro-area public colleges and universities need additional fiscal resources. Federal funds could be used to support capital improvements at public institutions

within EZ-GO zones—based upon area-wide agreements and targets for increasing enrollments of students from counties within the Zone. Federal funds in the form of matching capital improvement grants could be provided to EZ-GO areas that dedicate a stream of tax revenue for increasing the enrollment capacity of public two-year and four-year institutions.

- **Assist in matching postsecondary programming to local labor markets.** The EZ-GO Commission could provide detailed analysis of local labor market conditions and projected needs, working in concert with educational and business leaders to ensure an appropriate mix of college program offerings. Where redundancies and deficiencies were identified, adjustments to degree programs could be made. Regional human capital and fiscal advantages could be leveraged to increase economic development activities.

In these three ways, the EZ-GO Commission would be able to demonstrate and then deliver on the expected gains and efficiencies to be had from more regional coordination of postsecondary education.

Redesign existing federal policies

The EZ-GO Commission should revisit current federal policies to incentivize and increase coordination among public-, private-, and for-profit postsecondary institutions in EZ-GO metro areas to meet region-based educational needs. While primarily focused on public postsecondary systems, the EZ-GO Commission should explore opportunities to include for-profit and private institutions in EZ-GO arrangements. It may be the case that particular academic offerings, such as remedial education or certain workforce retraining programs, could be most effectively provided by a specific institutional sector within these zones. In these cases, the possibility of including institutions outside the public sector in EZ-GO arrangements should be explored.

Moving forward: An emerging metropolitan approach to increasing college-degree attainment

The historic state-centered approach to governing postsecondary education remains workable in many cases but is no longer a one-size-fits-all model that is appropriate given national college-degree requirements and shifting demographic patterns. In multistate metropolitan areas of the county where one in five Americans live, work, and seek educational opportunity, state-based policymaking inhibits progress toward critical postsecondary attainment goals.

What's more, state leaders are struggling with depressed fiscal conditions, provincial college completion concerns, and complex political environments—none of which helps nurture a college attainment agenda for the critical metro areas highlighted in our analysis. We do, however, think that supported by federal policy action, state and local actors could make more effective and efficient use of human capital in interstate metro America. The EZ-GO Commission would be a powerful agent in support of regional approaches to expanding postsecondary education opportunity, pushing the nation toward articulated attainment goals.

Increasing college-degree attainment

Framing the debate

Driven by a desire for the United States to remain competitive in the knowledge-driven global economy, federal and state policymakers, national education leaders, and prominent foundations are challenging America's higher education institutions to dramatically increase the number of college graduates. Calls for additional postsecondary degrees are made in response to current levels of educational attainment, which have been deemed inadequate to meet labor market demands.[13]

As of 2008, 38 percent of the U.S. working-age population—those individuals between the ages of 25 and 64—held a two- or four-year postsecondary education degree.[14] This level of educational attainment is inadequate to meet labor market demands. A recent report from the Georgetown University Center on

Education and the Workforce forecasts that in the coming decade, 63 percent of all jobs will require at least some postsecondary education—outpacing current degree production levels.

Absent significant changes in educational attainment, notes the report, the U.S. labor market will face a shortage of adequately educated workers, a condition that will effectively choke off U.S. economic development and severely limit productivity gains.[15] In short, our nation faces a postsecondary degree attainment problem—a condition that threatens the nation's future economic and civic vitality.

Linking college-degree attainment and economic development

The relationship between education, employment, and national productivity has never been more pronounced and evident. Amid a tight job market, postsecondary degree holders have maintained dramatically better employment prospects than their less educated counterparts. Unemployment for postsecondary degree holders hovers at slightly less than half that of nondegree-holders (4.3 percent vs. 10.6 percent).[16] Recognizing that perhaps the best hedge against sustained unemployment is to secure some form of postsecondary credential, record numbers of Americans are enrolling in postsecondary programs.[17] Clearly, millions of Americans grasp what economists have long asserted—increased education leads to improved and more stable employment prospects.

Of course Americans are well aware that education levels have a perceptible impact on the wages workers earn. Postsecondary graduates earn considerably more in wages than those who have not earned a postsecondary credential, just as those who have graduated from high school earn more than those who have dropped out.[18] Notably, these wage gaps are increasing even in a depressed labor market—a dynamic playing out in 29 of the world's 30 most developed economies.[19] It is evident that despite soft labor markets, employers are continuing to pay a wage premium to those workers who have increased levels of market-relevant knowledge and skills.

An emerging college-degree attainment agenda

Responding to the demonstrated link between postsecondary education and economic productivity, policymakers and private interests have crafted a number of initiatives aimed at increasing educational attainment among the American public. Notable actions include:

- President Obama challenged the nation to once again become the world's most educated country by 2020, advocating for at least one year of training and/or education beyond high school for all Americans.[20]

- Congress passed sweeping overhauls to the federal student loan program, increasing funding for student need-based financial aid in the form of more and larger Pell Grants, and significantly more federal funding for minority-serving postsecondary institutions and the nation's community colleges.[21]

- The National Governors Association crafted the initiative "Complete to Compete," which outlines the need for governors to take steps "to make our nation a global leader in college completion."[22] Additionally, state-focused organizations such as the State Higher Education Executive Officers, the Education Commission of the States, and the four regional higher education compacts (Southern Regional Education Board, Western Interstate Commission for Higher Education, Midwestern Higher Education Compact, and the New England Board of Higher Education) have echoed calls for increased attainment and undertaken activities to support state-level development of policy and institutional practices toward that end.

- There has been a philanthropic focus on increasing postsecondary educational attainment. The Lumina Foundation for Education, for instance, has pronounced their "big goal" for the nation to increase college attainment levels to 60 percent by 2025.[23] Likewise, the Bill and Melinda Gates Foundation challenged postsecondary education institutions to undertake actions to double the number of labor market-relevant postsecondary credentials among younger, low-income Americans.[24]

Taken together, these and other public and private interests have defined a clear challenge for the nation: To remain economically competitive, educational attainment levels need to dramatically improve. And importantly, a broadly accepted target of 60 percent college-degree attainment for the nation's working-age population is now accepted as a reasonable goal. In light of labor market demands for knowledge and skills associated postsecondary credentials, we agree that a 60 percent target is a reasonable goal for policymakers and others to aim at.

Defining the challenge

Reaching a 60 percent attainment level is a challenging task, requiring an annual and repetitive increase in the number of college graduates. In total, the nation will require an annual increase of roughly 278,000 graduates over each of the next 15 years to hit a 60 percent working-age college-degree attainment level by 2025.[25] Accounting for current rates of enrollment, the United States will produce an additional 112,000 graduates in each of the next 15 years, leaving an annual degree "gap" of 166,000 postsecondary graduates.[26] Generating the additional graduates necessary to reach the 60 percent goal will require a number of innovative steps and perhaps a radical departure from the status quo.

Designing effective innovations to increase college-degree attainment requires a nuanced understanding of today's postsecondary student population. No longer are first-time, full-time students entering college directly out of high school the majority of postsecondary attendees.[27] Increasingly, the nation's postsecondary students are first generation, low income, racial and ethnic minorities, and working adults. Therefore, any postsecondary policy aimed at increasing degree attainment will need to take into account students beyond those first-time, full-time enrollees directly out of high school.

Given the magnitude of the changes dictated by the national college-degree attainment targets, it is apparent that simply doing more of the same will not suffice. A substantial rethinking of postsecondary education policy is in order and innovative solutions, both small- and large-scale, will be necessary to make collective progress toward degree attainment goals.

The role of race and place in increasing college-degree attainment

Our nation's leading education policymakers, education advocates, and college and university leaders must recognize the need to devise strategies to improve national degree attainment levels based on the importance of race and place. These key decisionmakers need to be keenly aware of both *who* needs to graduate from college and *where* these critical current and future students reside. Doing so focuses attention on unique geographic areas of the country that are engines of national economic activity and highlights education needs that exist within and between racial and ethnic groups.

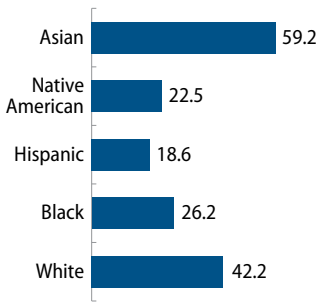
Race, ethnicity, and college-degree attainment

Reaching a 60 percent college attainment target will require a substantial increase in the educational performance among the nation's growing racial and ethnic groups. It is simply not possible to reach that 60 percent goal while retaining the national legacy of underserving racial and ethnic minority students. Demographic changes and trends point to an American landscape that is rapidly becoming more diverse. People of color now account for one-third of the total U.S. population, with projections indicating that they will reach majority status by 2042.[28]

FIGURE 4

College degree attainment rates, by race/ethnicity groups

Americans ages 25-64



As the racial and ethnic diversity of our nation increases, disturbing disparities in postsecondary educational attainment persist (see Figure 4). In 2008 just 19 percent of Hispanics and 26 percent of African Americans had earned a two- or four-year postsecondary degree, compared to 42 percent for whites.[29]

Although these racial and ethnic gaps are well documented, they are increasingly relevant to degree attainment goals as the nation undergoes accelerating demographic shifts. Particularly germane to efforts designed to increase longer-term postsecondary educational attainment, 43 percent of the U.S. population under the age of 18 is nonwhite,[30] foreshadowing a problematic social condition: As

postsecondary education becomes increasingly vital to economic productivity, a key component of the next generation of potential college enrollees will be comprised of students with the lowest historical degree attainment rates.

Faced with the need to generate a significant number of new college graduates in a restricted fiscal environment, it may be tempting for decision-makers to look for quick gains by focusing resources on the kinds of students who historically performed best in terms of degree attainment. We fundamentally disagree with such an approach. We are suggesting that absent an explicit effort to better reach minority students—given demographic shifts—we can't reach attainment goals. Demographics dictate that reaching degree attainment goals will require more than simply boosting groups with historically higher attainment levels, and fundamental notions of social equity require the nation to accept the challenge of increasing educational attainment for all Americans. Reaching a 60 percent college-degree attainment level for each racial and ethnic group must be the nation's overarching goal.

Space, place, and college-degree attainment

In the aggregate, America is becoming larger, more diverse, and more metropolitan. The nation's population topped 309 million in 2009, grew at a rate of nearly 9 percent over the last decade, and is projected to top 330 million in the coming decade.[31] People of color accounted for 83 percent of all population growth since 2000, with the Hispanic community contributing over half of this growth; increases in the percentage of Hispanics with a college degree, however, remain stagnant.

They are not alone. Working adults, first-generation students, and other historically underserved racial/ethnic minorities exhibit significant educational needs but decision-makers must also be conscious of the geographic spaces these populations reside in. The "who" and the "where" are increasingly (and inexorably) interlinked.

Recent population growth is unevenly diffused across the nation's geographic landscape, with metropolitan America leading the way. Metropolitan areas are comprised of core cities and surrounding suburban and exurban spaces that form regional markets. As defined by the U.S. Office of Management and Budget, there are 366 metropolitan areas. In 2008, 84 percent of the U.S. population resided in these metropolitan regions.[32]

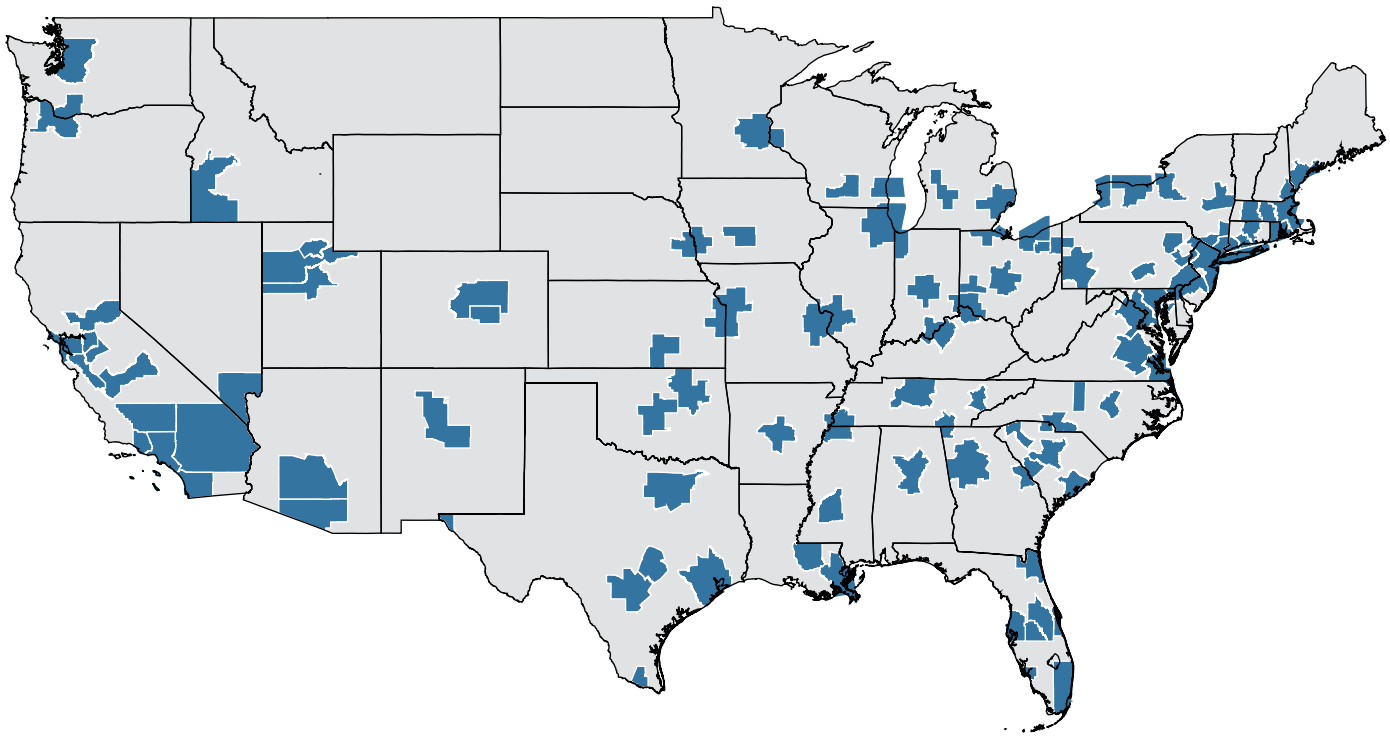
The impact of large metropolitan spaces

Metropolitan spaces are fluid, with permeable nonpolitical boundaries between cities, counties, and states. Integrated transportation networks move residents among and between commercial and cultural activities, as people shop, attend sporting events, and seek services in varying parts of their region. Fifty-eight percent of all metropolitan workers commute to a job within the metro region but in a different city or town from where they live.[33] Residents consume metrowide media in the form of newspapers and television stations, fly in and out of regional airports, and share natural resources—air, water, parks—for economic and recreational activities. All told, metropolitan spaces are integrated communities where residents move about freely, creating integrated economic and social communities.[34]

The importance of metropolitan spaces across our nation can be gauged through a focus on the largest 100 metro regions (see Figure 5).

FIGURE 5

The 100 largest metropolitan regions



Source: U.S. Census Bureau.

Two indicators—population growth and economic activity—illustrate the contributions these large areas make to national life.

Population growth

Large metropolitan areas—those with a population of at least 500,000 residents—contain a significant majority of the nation's residents. By the end of the last decade, two-thirds of the U.S. population resided in the largest 100 metropolitan areas, and between 2000 and 2009 these regions grew at nearly double the rate of the rest of the nation—11 percent versus 6 percent.[35] Large metropolitan areas are also home to significant percentages of the nation's racial and ethnic groups. In 2008, 74 percent of the nation's African Americans, 80 percent of its Hispanics, and 88 percent of its Asians resided in the largest 100 metropolitan areas, including half of all nonwhite individuals under the age of 18.[36]

Economic impact

The importance of metropolitan areas on the national economy is substantial. America's metro areas contain key prosperity drivers of economic growth: human capital, infrastructure, and innovation (including research and development spending and venture capital). As such, the largest 100 metro regions accounted for nearly three-quarters (73.5 percent) of total gross domestic product in 2008.[37] In addition, large metropolitan areas are responsible for producing and supporting the overwhelming majority of knowledge economy jobs, venture capital investments, and patents issued—all key indicators of economic innovation.[38]

The emerging metropolitan landscape

Taken together, a new portrait of America is emerging. Driven by population growth and economic activity, the nation's fastest growing populations are congregating in the largest 100 metropolitan places, in some cases reinforcing historic emigration patterns and in others creating budding metro landscapes.[39] In addition, as the nation recovers from the fiscal challenges of recent years, it will rely increasingly on the economic productivity of its large metropolitan areas. These dynamic pockets of diverse human and fiscal capital are taking on increasing importance in policy dialogues.[40] However, metropolitan America has seldom been given explicit attention in the development of strategies to increase college-degree attainment—an unfortunate oversight we address in forthcoming sections of this paper.

National college-degree attainment goals and metropolitan college opportunities

Metropolitan America is relevant to national college-degree attainment goals for two reasons. First, as drivers of economic activity, it is vital to the national interest that labor pools in the nation's metro-based economic centers be adequately educated and trained to meet the demands of employers. Future productivity demands it.

Second, attempts to erase disturbing gaps in degree attainment between racial and ethnic groups relies on available pathways into and through postsecondary education that pay heed to residential patterns. In the case of minority racial and ethnic groups, the overwhelming majority reside in the nation's largest metro centers. Despite the apparent importance of metropolitan areas to national goals, the majority of initiatives aimed at increasing college-degree attainment are state-based in nature.

The state and college-degree attainment

From a fiscal and policymaking perspective, addressing the nation's educational attainment problem is primarily a state-led endeavor, and historical precedent suggests state-based policy is central to addressing the challenge of increasing the number of Americans with a postsecondary degree. In the United States, the chief responsibility for funding and governing postsecondary education resides with the states (see box).

As such, state-based postsecondary educational needs and state policy innovations appropriately draw the lion's share of public attention and foundation funding. For instance, the Complete College America initiative—an alliance of 23 states—was formed in 2009 to make increasing college completion a policy priority by benchmark state completion rates against national goals and devising unique strategies for increasing college completion.

In addition, the National Governors Association recently pledged to support and build upon successful state strategies for increasing educational attainment.[47] Finally,

Primer on postsecondary governance

In the U.S. federal system of government, the primary responsibility for higher education resides with the states. The federal government historically limits its involvement in postsecondary education governance, funding, and policymaking. There is no federal ministry for higher education, for example, and aside from military academies, little provision of systematic financial support for institutional operating expenses.[41]

In order to govern postsecondary systems, a range of state-based structures are now in place to ensure that institutions and university systems meet the states' educational priorities.[42] Each state in the nation governs and financially supports public systems of universities, four-year colleges, and two-year community colleges—a large and complex enterprise.

Taken in order, state governance refers to explicit and implicit arrangements by which states have organized their systems of postsecondary education, including the allocation of the decision-making authority of the various parties involved. Although public management of postsecondary education vary widely, both across states and over time, broadly speaking there are three common approaches states have taken to steer public postsecondary education: voluntary coordination, coordinating boards, and consolidated governing boards.

Across all three approaches and with varying degrees of direct and implied authority, state governing boards have responsibilities including the management of finances, conferring of degrees, resolution of faculty personnel matters, systemwide coordination of policies, and development of budgets among others.[43] Additionally, either state legislatures, governing boards, or in some cases institutions themselves have authority to set tuition levels for the public institutions within state boundaries.

Regardless of postsecondary governance arrangements, states invest significant resources into public postsecondary education. In the academic year 2008-09, total enrollment at public institutions across the nation totaled roughly 13 million, representing approximately three-quarters of total student enrollments across all sectors.[44] To support these enrollments, states collectively directed $152 billion to public institutions in Fiscal Year 2008.[45]

Overall, state expenditures on public postsecondary education represent the largest category of state discretionary spending, accounting for 10 percent of total state expenditures and 11 percent of overall general funds expenditures.[46] Given these expenditures, states (and by extension, taxpayers) have a vested interest in ensuring postsecondary institutions are meeting the education and economic needs of the state.

As we detail in this paper, regional (and by extension, state) needs are increasingly manifesting in the number of college credentials earned within the postsecondary education sector. Therefore, the federal government needs to ensure these educational needs are met in the most efficient way possible.

along similar lines, the Lumina Foundation for Education deconstructed their "big goal"—60 percent college-degree attainment—through a state-based lens, suggesting the number of degrees needed from each of the 50 states to hit that level.[48]

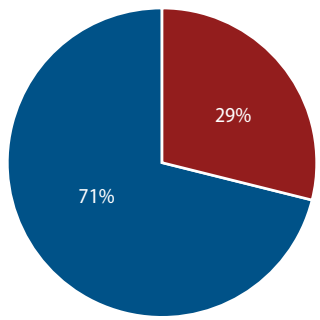
Although laudable and in need of continued support, state-based strategies for reaching attainment goals run the risk of overlooking the critical role metropolitan centers must play in reaching attainment targets. Moreover, given the jurisdictional nature of postsecondary policy, states are ill-equipped to effectively manage an important subset of metro America: Metropolitan regions that cross state boundaries.

The challenge of multistate metropolitan spaces

FIGURE 6

Multistate metro share of total U.S. gross domestic product

44 multistate metropolitan areas, 2008



The reliance on a state-based framing of national college-degree attainment goals is less than ideal for multistate metropolitan regions—metro regions that include counties from at least two states. There are 44 multistate metropolitan areas, critical population and economic centers scattered across the nation's geographic landscape. All told, multistate metro areas accounted for 29 percent of national gross domestic product in 2008, and 22 percent of the U.S. population live in these areas, making them vital engines of economic development for the nation[49] (see Figure 6).

In these multistate metropolitan places, due the state-based nature of postsecondary governance arrangements, students face complex postsecondary markets—markets in many cases unaligned with regional economies, educational need, and residential patterns. Though sound from the perspective of any single state, state-based approaches to governing postsecondary education impact the educational options available to residents of multistate metropolitan areas. In these areas, it is essential that residents have adequate and sensible access to postsecondary degree programs. Figure 7 maps these multistate metro regions.

Closing the college-degree attainment gap in multistate metro areas will require colleges and universities to graduate 11.3 million students in order to reach a 60 percent attainment level. That's roughly one-half of all the college graduates we need to meet articulated attainment goals.[50] To reach this goal, postsecondary education may be best served by a governing model that can leverage the inherent mobility of residents of metro areas.

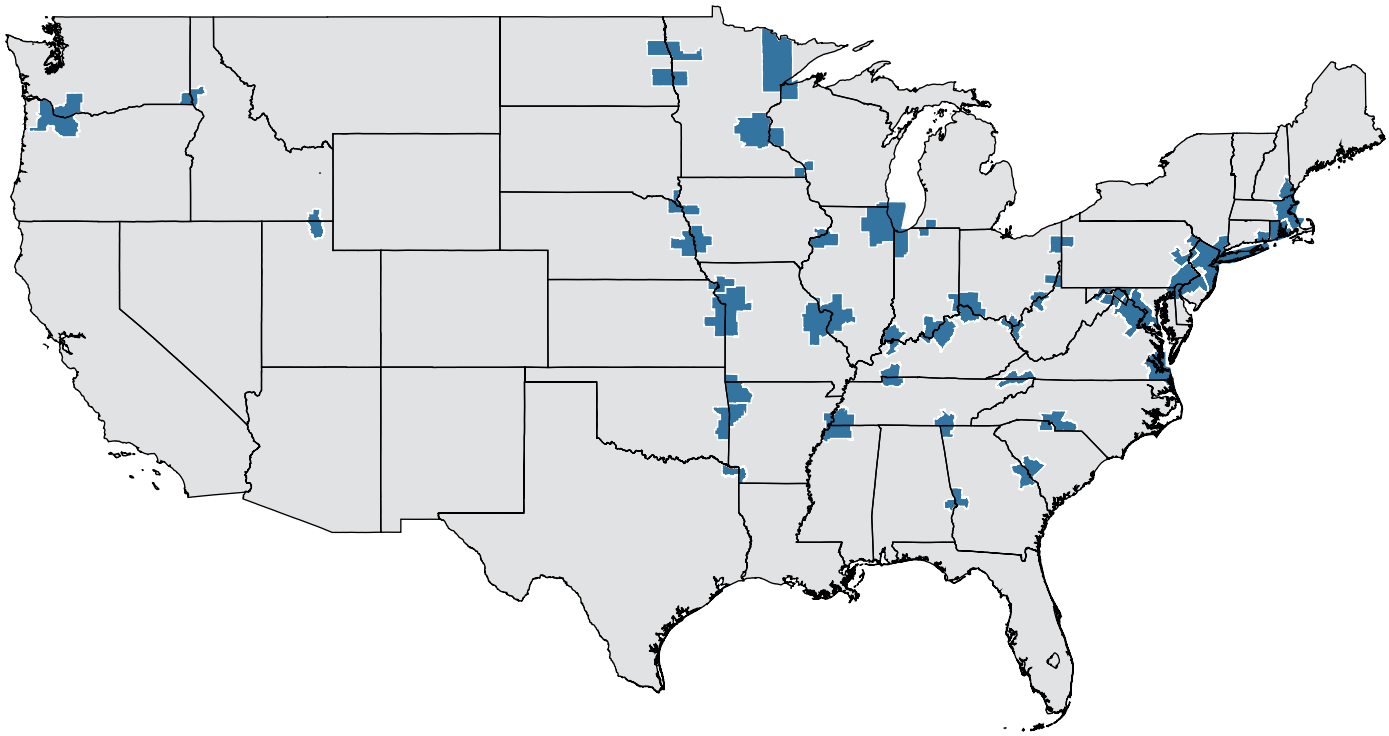
We see three policy domains where state-centered management of public postsecondary education is ill-suited for students residing in cross-border metropolitan areas:

- Student state-based financial aid
- Resident-based tuition policy
- Credit transfers

Let's examine each in turn.

FIGURE 7

Forty-four metropolitan regions that cross state boundaries



Source: U.S. Census Bureau.

Student state-based financial aid

Increasing state educational attainment rates has elicited varying responses from state policymakers. Recognizing the important role financial aid plays in providing access to postsecondary education, states have created various need- and merit-based financial aid programs. In certain cases, these state policy actions were in direct response to student outmigration. For example, a number of states have enacted merit-based student financial aid programs with the explicit intent of stemming a perceived "brain drain" of academically talented students to out-of-state postsecondary institutions.[51]

Retaining academic talent to spur economic and civic development through merit-aid programs quite obviously is designed to incentivize in-state attendance. But the lack of portability of these and other state-based aid programs restricts student mobility in multistate metro areas.

Resident-based tuition policy

State-based merit-aid programs are designed to incentivize students to attend college within their state of residence, but another state policy is designed to keep nonresident students out—state residency policies and the accompanying tuition discount offered to in-state students.[52] In-state tuition provides a strong fiscal incentive for students to remain in-state for postsecondary education, while higher nonresident tuition effectively erects a financial barrier that dissuades out-of-state enrollments.[53]

The tuition difference is substantial between residents and nonresidents. Among the 14 states that make up the Western Interstate Commission for Higher Education region, for example, full-time in-state tuition is on average $5,741 compared to $16,486 for an out-of-state student.[54] For price-sensitive students the high cost of nonresident tuition, coupled with ineligibility for state-based aid, signals a strong preference for students to attend institutions within their home state, regardless of the proximity of institutions to students' work or home.

Credit transfers

More than one out of two college students transfers to another school at least once during their academic careers, losing some of the academic credit they have earned due to postsecondary institutional and state policies that make it difficult for students to transfer credits.[55] The challenge of designing effective transfer and articulation agreements is well known, especially as it pertains to an intrastate environment.[56] Transfer between states adds to the complexity of the process, as student must navigate two discrete postsecondary systems and academic requirements.

Rationales and consequences of state policy postures

From the viewpoint of state policymakers, the rationale for policy that benefits residency is reasonable. The majority of fiscal support for public postsecondary education flows from state coffers filled with residents' tax dollars. Consequently, states have an obligation to provide affordable postsecondary education options to support civic and economic development. Though sound from the perspective of any single state, this state-based approach is not without consequences.

Residency-based policies provide strong incentives for students to pay deference to state borders when selecting a postsecondary institution. This is the case even if a student aspires to attend an out-of-state institution for a specific academic program or due to the geographic proximity of a postsecondary institution to work or home. Moreover, state-based policies often implicitly ignore the regional benefits of increased degree attainment.

In the metropolitan Washington region, for instance, lawmakers in Virginia have limited incentives to provide policy solutions to address college-degree attainment gaps in Maryland. This is the case even though the education levels of Maryland-based residents of this multistate metro are important to regional growth and development that benefits a key economic region of Virginia. Of course, the same is true for lawmakers in Maryland and the District of Columbia.

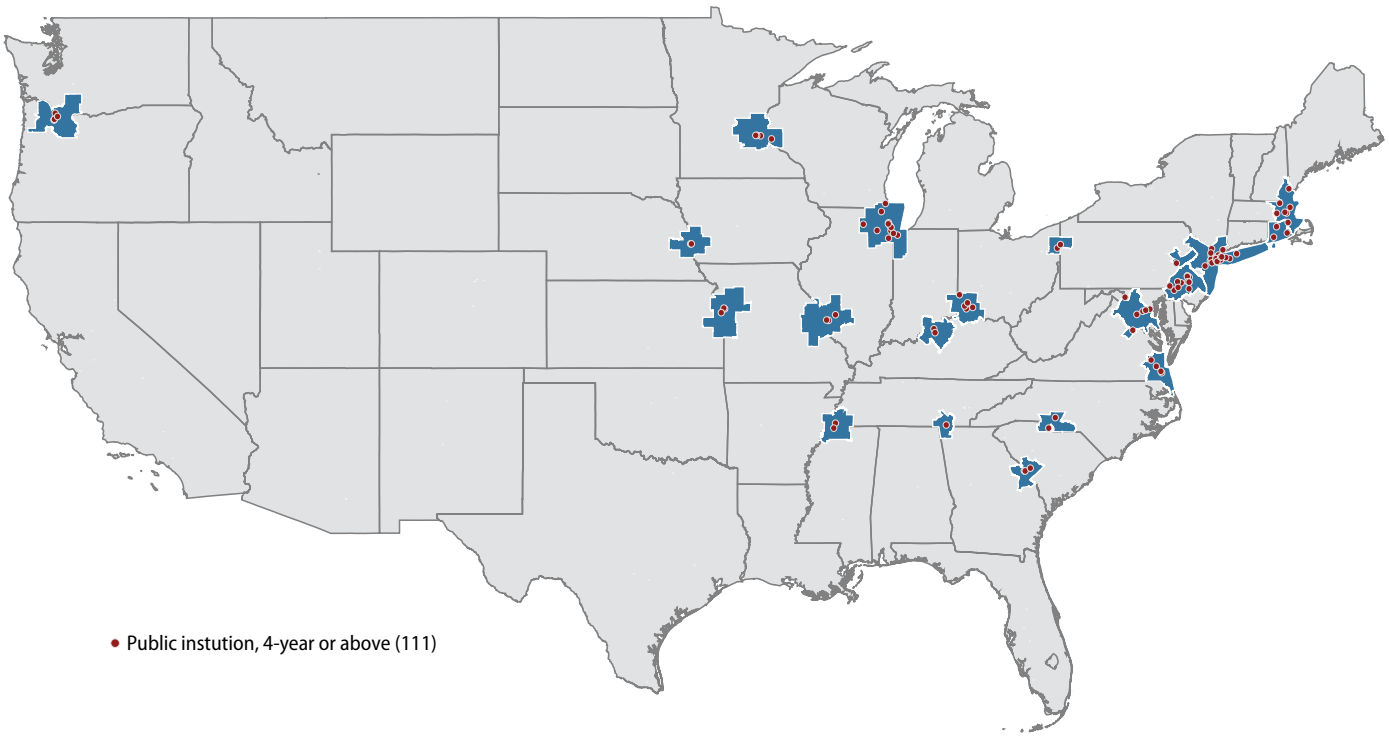
Indeed, the lack of a coordinated approach to postsecondary opportunity and success in multistate areas stands out for its distinctiveness. In several other policy domains—transportation, natural resource development, utilities management—local, state, and federal authorities work together (with varying levels of involvement depending on the issue) to provide regionally-based management of critical components of economic growth.[57] A governing model that does not explicitly account for and leverage the regional nature of postsecondary education markets in multistate metro spaces underserves national attainment goals—a dynamic we explore in the next section.

Multistate metropolitan America and college-degree attainment goals

In metropolitan areas that cross state borders, students face jurisdictionally-based barriers to accessing a broader range of postsecondary options. Barriers include nonportable state-based financial aid, state residency-based tuition policies, and unaligned credit-transfer processes. These barriers are created by state policies that reward residency. One result, however unintended, of residency-based postsecondary policy is a restriction on student movement and college choice—factors that are critical to efforts to reach national college-degree attainment goals.

FIGURE 8

Public four-year institutions in the 20 largest metropolitan regions that cross state boundaries



Source: U.S. Census Bureau and IPEDS Institutional Characteristics Survey Academic Year 2008–09.

Large multistate metropolitan regions

Seeking to identify where these barriers may be most pronounced, in terms of both the number of students potentially affected and demonstrated gaps in educational attainment, we choose to focus on the largest 100 metropolitan areas. We further reduce our areas of interest to the 20 largest metropolitan areas that cross state boundaries, concluding that it is within these spaces that students face the most jurisdictionally complex postsecondary markets.

Figure 8 maps the 20 largest metropolitan regions of the nation (along with the public four-year institutions that reside within the metropolitan area) that incorporate counties from two or more states.

Notably, the multistate regions capture portions of states from all four higher education compacts, including seven Atlantic states, and several Western, Midwestern, and Southern states.

Profiling multistate metropolitan regions

The 20 largest metro areas situated across state borders represent significant population centers and economic hubs of the nation. One out of five Americans lives in a multistate metropolitan region. Approximately one-quarter of all residents within these 20 cross-border metropolitan regions are under the age of 18,

TABLE 3

Interstate metropolitan statistical areas aggregates for educational and demographic data

Total population	66,227,000
Population 18 years old or younger	16,267,000
Population 18-24 years old	6,172,000
Population 25+ years old	43,788,000
Population 25+ with a high school diploma	13,551,000
Population 25+ with some college	8,403,000
Population 25+ with Associates degree	3,219,000
Population 25+ with Bachelor's degree	9,289,000
Population 25+ with a graduate degree	5,939,000
College eligible and college degree holder population	40,401,000
White college eligible and college degree holder population	28,057,000
Black college eligible and college degree holder population	5,420,000
Latino college eligible and college degree holder population	2,928,000
Other college eligible and college degree holder population	3,995,000
Population 25+ college degree holder	18,446,000
White population 25+ college degree holder	13,650,000
Black population 25+ college degree holder	1,801,000
Latino population 25+ college degree holder	931,000
Other population 25+ college degree holder	2,065,000
College eligible population	21,955,000
White college eligible population	14,408,000
Black college eligible population	3,619,000
Latino college eligible population	1,997,000
Other college eligible population	1,931,000
Overall gap	6,003,000
White gap	3,519,000
Black gap	1,451,000
Latino gap	826,000
Other gap	561,000
Attainment gap as a percent of population 25+ college eligible population	27%
White attainment gap as a percent of population 25+ college eligible population	24%
Black attainment gap as a percent of population 25+ college eligible population	40%
Latino attainment gap as a percent of population 25+ college eligible population	41%
Other attainment gap as a percent of population 25+ college eligible population	29%

representing a sizeable population of residents who will require postsecondary education in the future (see Table 3).

Multistate metro areas also are vital to the national economy. Collectively these metro areas accounted for 27.5 percent of national gross domestic product and make a larger contribution to national productivity than 33 states—producing nearly $4 trillion dollars of economic output[58] (see Table 4).

TABLE 4

Metropolitan muscle

The gross metropolitan product of the 20 largest multistate metropolitan economies in 2008 exceeded the combined output of 33 states

Total gross metropolitan product 20 largest multistate metros ($3.96 trillion)	Total gross state product 33 selected states ($3.92 trillion)	
Allentown (PA-NJ)	Alabama	Montana
Augusta (GA-SC)	Alaska	Nebraska
Boston (MA-NH)	Arizona	Nevada
Charlotte (NC-SC)	Arkansas	New Hampshire
Chattanooga (TN-GA)	Colorado	New Mexico
Chicago (IL-IN-WI)	Connecticut	North Dakota
Cincinnati (OH-KY-IN)	Delaware	Oklahoma
Kansas City (MO-KS)	Hawaii	Oregon
Louisville (KY-IN)	Idaho	Rhode Island
Memphis (TN-MS-AR)	Indiana	South Carolina
Minneapolis/St. Paul (MN-WI)	Iowa	South Dakota
New York City (NJ-NY-PA)	Kansas	Utah
Omaha (NE-IA)	Kentucky	Vermont
Philadelphia (PA-NJ-DE-MD)	Louisiana	West Virginia
Portland (OR-WA)	Maine	Wisconsin
Providence (RI-MA)	Mississippi	Wyoming
St. Louis (MO-IL)	Missouri	
Virginia Beach (VC-NC)		
Washington, DC (DC-VA-MD)		
Youngstown (OH-PA)		

Source: Bureau of Economic Analysis, U.S. Department of Commerce, 2008.

Profiling college-degree attainment and need in multistate metropolitan areas

Central to designing effective policy to support an expansion of postsecondary opportunity in these metro regions is an awareness of baseline degree attainment levels. It is critical to understand current postsecondary education levels in these areas as a precursor to designing successful pathways to meeting national degree attainment goals.

In calculating college-degree attainment levels in the 20 largest multistate metro regions, we focused on the adult population age 25 and over having graduated from high school. We reasoned this focus would capture individuals who had met the basic academic requirements to participate in postsecondary education. Therefore, the degree attainment levels presented herein capture the percentage of the "college eligible" population in these metro areas who have successfully earned a postsecondary credential.

Reported degree gaps reflect the number of additional college-eligible adults who must obtain a degree to reach a 60 percent degree attainment level.[59] Within the 20 multistate metro areas of interest, 45 percent of the college-eligible adult population had obtained a postsecondary credential, significantly below attainment targets of 60 percent (see Table 3 on page 25). For comparison purposes, 46 percent of all U.S. adults over 25 who have graduated from high school hold a postsecondary degree.[60]

Increasing postsecondary educational attainment rates to a 60 percent level in multistate metro areas will require about 6 million additional graduates. To reach this level, slightly more than one in four (27 percent) college-eligible adults who have not completed a postsecondary degree program will need to do so (see Table 3 on page 25).

What's more, embedded within overall college-degree attainment figures are significant variations by race and ethnicity. Whites, for example, have a college-degree attainment rate of 48 percent and a completion gap of 3.5 million degrees. Blacks have an attainment rate of 33 percent and a completion gap of 1.5 million degrees, and Latinos have an attainment rate of 31 percent and a completion gap of 826,000 degrees.

Geographic differences in degree attainment

In addition to profiling college-degree attainment levels in multistate metro areas, we were interested in the geographic diffusion. We sought to identify where attainment needed to increase, reflected in additional degrees necessary to hit targeted levels. We considered the college-degree attainment needs for each metro area as a whole, as well as mapping degree needs at the county level within each metro space. As a first step, we calculated attainment levels by race and ethnicity for each of the largest metro areas that cross state lines (see Table 5).

TABLE 5

Number and percentage of eligible 25+ year olds in the 20 largest interstate metropolitan statistical areas needed to meet national completion goals by race and ethnicity

Metropolitan area	Number of 25+ year olds needed	Number of white 25+ year olds needed	Number of black 25+ year olds needed	Number of Latino 25+ year olds needed	Percentage needed of all eligible 25+ year olds	Percentage needed of all eligible white 25+ year olds	Percentage needed of all eligible black 25+ year olds	Percentage needed of all eligible Latino 25+ year olds
Allentown (PA-NJ)	109,300	92,600	3,600	8,900	35.75%	35.28%	41.68%	45.37%
Augusta (GA-SC)	65,400	36,600	27,900	1,000	37.60%	33.56%	46.11%	34.77%
Boston (MA-NH)	199,500	127,500	33,900	31,400	15.04%	12.10%	37.36%	38.94%
Charlotte (NC-SC)	131,500	71,100	44,900	10,900	26.44%	21.30%	38.95%	40.70%
Chattanooga (TN-GA)	67,400	55,500	11,000	800	39.01%	38.11%	47.16%	41.33%
Chicago (IL-IN-WI)	935,900	435,500	227,400	188,900	29.08%	22.87%	41.16%	45.68%
Cincinnati (OH-KY-IN)	236,000	200,600	35,200	2,100	33.56%	32.98%	44.24%	28.86%
Kansas City (MO-KS)	204,400	149,300	35,700	13,100	30.55%	28.09%	44.05%	43.66%
Louisville (KY-IN)	160,800	133,800	25,300	1,200	37.47%	36.60%	46.90%	30.17%
Memphis (TN-MS-AR)	161,600	71,000	85,100	3,300	37.69%	31.30%	46.31%	41.73%
Minneapolis/St. Paul (MN-WI)	214,400	173,300	20,900	10,900	21.62%	20.21%	38.06%	38.86%
New York City (NY-NJ-PA)	1,674,600	727,600	400,600	435,000	26.06%	21.65%	37.84%	41.13%
Omaha (NE-IA)	73,500	58,000	8,800	5,000	28.86%	27.02%	44.19%	45.20%
Philadelphia (PA-NJ-DE-MD)	579,500	352,100	178,300	35,000	28.34%	24.27%	44.09%	42.70%
Portland (OR-WA)	213,900	175,300	7,900	18,700	28.77%	28.10%	42.41%	44.05%
Providence (RI-MA)	158,300	128,700	6,400	12,300	30.36%	29.01%	37.31%	42.47%
St. Louis (MO-IL)	309,600	233,600	73,400	3,900	32.62%	30.87%	44.58%	32.60%
Virginia Beach (VA-NC)	184,800	103,200	70,500	5,800	33.82%	29.93%	42.63%	38.58%
Washington, DC (DC-VA-MD)	212,600	96,300	142,800	36,300	15.24%	14.18%	32.23%	29.42%
Youngstown (OH-PA)	110,100	97,200	11,400	1,300	44.64%	44.16%	49.28%	51.82%

Source: American Communities Survey, 2005–2007 three-year average, author's calculations.

Within these metropolitan areas, significant variation in size is observed. The largest interstate metropolitan area is the New York City metro region, which includes parts of the states of New York, New Jersey, and Pennsylvania with more than 18.7 million residents. The smallest of these areas is the Chattanooga metro area straddling the Georgia-Tennessee border, with just less than a half-million residents.

Focusing on college-degree attainment, the percentage of adults holding a postsecondary degree ranges from a high of 57 percent in the metropolitan Washington, D.C., region to a low of 27 percent in the Youngstown metro region of northeastern Ohio and northwestern Pennsylvania. Overall, none of the 20 areas has attainment levels at or above the targeted 60 percent threshold.

There also is significant variation by race and ethnicity in attainment levels evident within each of these multistate metro regions. Table 6 presents the total number of degrees by race and ethnicity required for each of the 20 metro regions to reach 60 percent degree attainment goals.

Attainment differences within multistate metro regions

Guided by national attainment goals, we calculated the number of additional college degrees required for each county within each of the 20 multistate metropolitan areas, by race and ethnicity, required to reach our degree goals.[61] Focusing on attainment levels within each county is one way to measure progress toward an equitable distribution of postsecondary degrees within a given metropolitan region. Ensuring that postsecondary attainment and the benefits of an educated population are widely dispersed is an important consideration as policy is designed to educate increasing numbers of Americans. (Of course, degree attainment is equally important to all parts of the nation and not just an imperative for a few very large, well-educated core cities.)

Yet as discussed in prior sections of this paper, state-based jurisdictional control of postsecondary governance impedes metropolitan-focused strategies to foster increased educational attainment. We profile the Portland multistate metropolitan region that includes northwest Oregon and southwest Washington state to exhibit the nature of postsecondary opportunity in this area, highlighting the challenge of formulating policy to increase degree attainment in an interjurisdictional environment.

The Portland example

This cross-border metropolitan region has a total population slightly more than 2.1 million, spread over seven counties—five in Oregon and two in Washington state.[62] The Portland metro region requires significant improvements in degree production to reach our 60 percent college-degree attainment goals. The metro area has an overall attainment level of 44 percent—a 16 percent gap. And embedded within the metrowide attainment level is significant variation by race and ethnicity. For instance, the degree attainment level for whites is 44 percent, for blacks 31 percent, and for Hispanics 29 percent.

To reach overall attainment targets, the Portland metro area requires an additional 213,900 degrees. Table 6 also illustrates the degrees needed, by county and by race and ethnicity, required for each county and each racial and ethnic group to reach a 60 percent attainment level. Focusing on geography, there is significant variation in where postsecondary institutions need to graduate additional students to reach an equitable distribution of degrees in the Portland metro region. For instance, slightly

TABLE 6

Reaching attainment goals in the Portland metro

Numbers of degrees attained in the Portland multistate metropolitan region, by age, race, and ethnicity

County name	Oregon–Clackamas	Oregon–Columbia	Oregon–Multnomah	Oregon–Washington	Oregon–Yamhill	Washington–Clark	Total
Total population	371,340	48,086	688,923	511,861	93,901	409,306	2,123,417
Population under 18	86,113	11,307	156,442	134,808	22,837	108,202	519,709
Population 18-24	31,735	4,078	55,947	39,863	11,138	34,571	177,332
Population over 25	253,492	32,701	476,534	337,190	59,926	266,533	1,426,376
Overall completion gap	42,051	8,942	57,606	36,450	14,117	54,755	213,921
White completion gap	38,836	8,942	40,825	26,577	11,991	48,145	175,316
Black completion gap	—	—	6,283	733	—	890	7,906
Latino completion gap	2,063	—	5,354	7,102	1,142	3,082	18,743
Number of institutions	2	0	16	2	3	3	26
Total FTE enrollment	4,676	0	46,055	1,539	3,702	6,695	62,668
Part-time enrollment	5,450	0	29,693	115	717	5,890	41,865
White FTE enrollment	3,309	0	29,814	955	2,697	5,030	41,804
Black FTE enrollment	83	0	1,688	17	63	127	1,978
Latino FTE enrollment	389	0	2,661	67	165	341	3,622

more than a quarter (27 percent or 57,600 degrees) of total additional degrees required are needed in the central anchor county of Multnomah, Oregon, whereas outlining Columbia County, Oregon, requires only 4 percent (8,900 degrees) of total degrees required for the region to reach the 60 percent attainment goal.

In addition to differences in educational need by geography, differences in need by race and ethnicity within each county permeate the Portland metropolitan region. An additional 7,100 degrees among the Latino population of Washington County, for example, are needed for the county to reach a 60 percent attainment level among this population. African Americans face a degree gap of 6,300 degrees in Multnomah County to reach the 60 percent completion target. And among whites, Clark County, Washington, requires more than 48,000 additional degrees to hit our college-completion goals.

Geography and educational opportunity

Identifying the number of degrees needed by race and ethnicity and location is only half of the equation for constructing effective policy to support increased college-degree attainment in the Portland metro region. Additional degrees, after all, require college-bound students to have access to postsecondary options—options that are now diffused across the two-state metro area without regard for demonstrated needs within the metro region. Figure 9 maps the 26 public two-year, public two-year, and private not-for-profit four-year postsecondary institutions located in the Portland metropolitan region. The map shows that college opportunities are concentrated in the counties in Oregon, with only three institutions are located in the two counties in Washington state.

Focusing only on public postsecondary institutions, six of nine public institutions are located in counties in Oregon, including three of four community colleges—those institutions that serve as essential access points for low-income, working adults, and ethnic and racial groups in need of postsecondary education. Our mapping of postsecondary institutional locations and college-degree attainment needs clearly show the imbalance within the region, an imbalance difficult to address due to political boundaries.

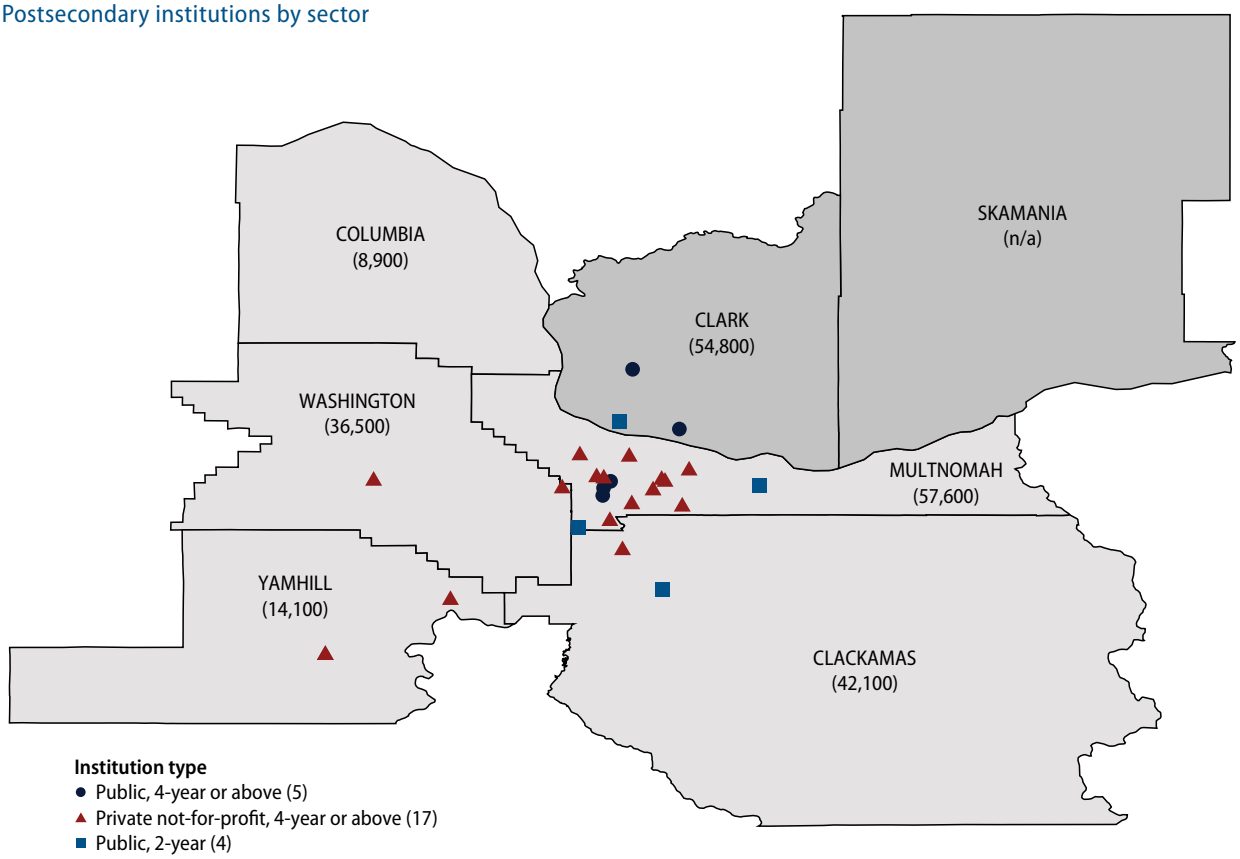
Utilization of educational opportunity

One measure of utilization of postsecondary access is student enrollment figures. In the Portland metro area, the 26 postsecondary institutions enroll 62,700 full-time equivalent students (see Table 6 on page 30). Not surprisingly, enrollments are concentrated in the counties in Oregon, with only 10 percent (6,700) of full-time equivalent students attending postsecondary institutions located in counties in Washington state. Enrollment figures, when viewed simultaneously with metropolitan area degree attainment gaps and consideration of institutional locations, exhibit structural challenges to increasing college-degree attainment in the Portland area.

FIGURE 9

Portland metropolitan statistical area postsecondary institutions

Postsecondary institutions by sector



Source: IPEDS Institutional Characteristics Survey Academic Year 2008–09.

Clark County, Washington, provides an example of how educational need, institutional locations, and college enrollments converge with state-based postsecondary policy to impede metrowide degree attainment. Clark County requires an additional 54,800 degrees to reach a 60 percent attainment level among its college-eligible population. The three postsecondary institutions in the county enroll the equivalent of 6,700 students.[63] The disparity in needed degrees and local institutional capacity to produce these degrees highlights a structural challenge to meeting attainment goals. It is evident based on enrollments alone that Clark County lacks the capacity—even over a 15-year time period—of generating the needed degrees to meet national attainment goals.

Simply put, more Clark County residents need to enroll in postsecondary education and successfully earn a degree. Yet the most geographically proximate public institutional resources to support significant increases in college going are in large part located outside the county. And not just outside the county, but outside the state.

What's more, state-based financial aid policies are not transferable across state lines to support out-of-state attendance, and educational institutions located in Oregon charge significantly higher tuition levels to out-of-state students. Community colleges in Oregon, for example, charge on average $3,120 in tuition and fees for in-state students and $8,772 for out-of-state students—a significant difference of $5,652. Therefore, residents of Clark County face structural and state-based barriers to placing themselves on a path to college completion, mainly because of limited institutional choice and increased college costs.

The Portland metro area exemplifies the usefulness of viewing educational attainment data along dimensions of both race and ethnicity and geography, highlighting the *who* and the *where* of existing educational needs. From the perspective of the metropolitan area, the county with the second-highest number of additional degrees required—Clark County in Washington state—sits outside of the jurisdictional control of the state containing most of the educational and economic resources within the metro area—Oregon.

The paradox of multistate metropolitan postsecondary education governance models is exemplified in the Portland metro region—educational needs are not aligned with jurisdictional control, limiting regional college-degree attainment. To support regional economic growth, increased levels of postsecondary education are required within Clark County. Yet actively assisting students within this area requires action by policymakers in Washington state, officials who have less of a

vested interest in degree attainment in the Portland metropolitan region situated predominately in Oregon.

Moreover, absent interstate coordination, students from Clark County face fairly strong disincentives through state residency and state-based financial aid policies, to seeking postsecondary education within geographically proximate Oregon. This dynamic is not in the best interests of individual students, the metropolitan region, or national attainment goals.

Moving forward in metro areas

As our Portland example illustrates, to reach a 60 percent degree attainment goal for each county within the large multistate metropolitan areas will require significantly more degrees earned. There is critical need for additional college graduates, even within those counties with relatively high overall attainment levels. To support degree attainment, students need postsecondary options—options that at times may fall outside their state of residence.

Given the interstate makeup of this and other metropolitan areas, continuing to rely on states to ensure equitable opportunity for postsecondary education is insufficient. Indeed, the results of our analysis suggest the status quo is not working and that states are not, of their own accord, seriously addressing the challenge of increasing college-degree attainment through a metropolitan lens.

The nature of postsecondary governance and policymaking at the state level is such that a student's place of residence largely shapes their options for affordable, public postsecondary education. In the metropolitan regions highlighted in our analysis—these vital engines of national economic growth and growing population centers with demonstrated educational needs—educational opportunities are restricted by state borders. These restrictions from the vantage point of state policymakers are rational. Therefore, to address this condition, the federal government has to play a role in coordinating a more regionally based approach to managing public postsecondary education in multistate metropolitan areas.

A federal role: Educational Zone Governance Organizations

Increasing educational attainment in multistate metropolitan America represents a unique challenge. How should our nation best leverage the fluidity of large population centers with the goal of successfully getting more individuals into and through postsecondary programs? Although states historically retain jurisdictional responsibility for postsecondary education, multistate metro regions represent areas in which state-based policy arrangements are ill-suited to serve national attainment goals.

Rational state-based policy actions appropriately reward residency in the provision of public postsecondary educational opportunities. Yet in so doing, state policy is mismatched with the permeable nature of multistate metro regions. Labor, capital, and social markets in these areas are regionally based—postsecondary education markets should be as well.

Toward this end, Congress should create Educational Zone Governance Organizations in specific multistate metropolitan areas of the nation. EZ-GO areas would capture places in the nation where the federal government should coordinate and incentivize policymaking to take a regional approach to support increasing educational attainment.

To identify and manage these areas, an Education Zone Governance Organization Commission should be formed (see box).

The EZ-GO Commission, authorized by congressional action and housed in the Department of Education, would provide independent advice and counsel to the authorizing committees and the secretary of education on matters relating to increasing college-degree attainment in critical metropolitan areas. The central purpose of the commission would be to identify and develop policy solutions to jurisdictional barriers unnecessarily restricting student access to postsecondary education in multistate metropolitan regions. In addition, the commission would play a role in implementing reforms and coordinating and facilitating state and local actors. Broadly, the commission should undertake three primary tasks:

Composition of the EZ-GO Commission

Once formed, the EZ-GO Commission could be made up of elected officials from Congress, governors, and local metropolitan officials, as well as business leaders, members of state postsecondary system coordinating boards, and experts in interjurisdictional cooperation and labor economics. The EZ-GO Advisory Committee could be composed of nine members appointed by members of Congress for four-year terms:

- Four members to be appointed by the speaker of the House of Representatives, with one each upon recommendation by the majority and minority leaders
- Five by the president pro tempore of the Senate, with one each upon recommendation by the majority and minority leaders, and the secretary of the U.S. Department of Education

- Ratify boundaries of multistate EZ-GO areas.
- Advise federal policymakers on actions to incentivize local actors.
- Redesign existing federal policies.

Let's look at each of these tasks briefly in more detail.

Ratify boundaries of multistate EZ-GO areas

The EZ-GO Commission should ensure these metropolitan regions concentrate on the human capital, educational, and economic needs, and postsecondary institutional capacity building necessary to reach the 60 percent college education goal. Building on the analysis undertaken in this paper, the EZ-GO Commission could identify appropriate indicators of regional mobility, economic conditions, and educational need to determine EZ-GO areas where interstate coordination of postsecondary education is likely to support college-degree attainment.

From this set of identified areas of importance, a subset of areas could be selected in which EZ-GO pilot programs could be administered to study the usefulness of interstate jurisdictional coordination in addressing and diffusing postsecondary need and opportunity. The effort would result in more interstate coordination of postsecondary education in support of higher college-degree attainment levels.

Advise federal policymakers on actions to incentivize local actors

The EZ-GO Commission should encourage cross-jurisdictional cooperation at the state level to reconfigure governance arrangements within identified EZ-GO areas in support of higher educational attainment goals. The federal government has a number of regulatory and fiscal policy levers at its disposal to incentivize interstate cooperation. Several suggestions of where federal action could be useful include:

Provide technical support to develop EZ-GO-wide articulation agreements

A provision in the recently reauthorized Higher Education Act instructs the Department of Education to provide technical assistance to states to design effective within-system articulation agreements, which are designed to simplify the transfer of credits between higher education institutions.[64] This provision could be expanded to an interstate environment and could be incentivized with federal funds and technical support to design and pilot-test new articulation agreements within EZ-GO areas. Articulation agreements could include provisions for common course numbering, unified Zone-wide application for admissions, and portable student financial aid.

Such EZ-GO articulation agreements would make it easier to transfer student records, streamline registration and financial aid award systems, and modify tuition levels to uniform rates across metropolitan areas through federal financial support. Take Pell Grant-eligible students. The federal government could provide a performance bonus to the EZ-GO Commission, which would be distributed back to any educational institution that graduates a Pell Grant-eligible student from a county with identified degree attainment needs outside of the state in which the educational institution is located but within the metro region. The size of the payout would offset differences in the institutional cost of educating a state resident versus a nonstate resident. Such a program would address in part the disparity in state subsidization of postsecondary education.

Support capital investment to build up enrollment capacity

The capacity of educational institutions to boost the number of college graduates within multistate metropolitan areas is a challenge, as detailed in our Portland metro area example. Federal funds could be used to support capital improvements

at public institutions within EZ-GO zones, pursuant upon EZ-GO-areawide agreements and targets for increasing enrollments of students from counties within the region. Federal funds in the form of matching capital improvement grants could be provided to create a dedicated stream of tax revenue for increasing the capacity of public two-year and four-year institutions.

Assist in matching postsecondary programming to local labor markets

The EZ-GO Commission could provide detailed analysis of local labor market conditions and projected needs, working in concert with institutional and business leaders to ensure an appropriate mix of programmatic offerings. Where redundancies and deficiencies were identified, adjustments to degree programs could be made so that inherent human and fiscal capital advantages within metropolitan regions could be leveraged to increase economic development activities.

Redesign existing federal policies

The EZ-GO Commission should revisit current federal policies to incentivize and increase coordination among public, private, and for-profit postsecondary institutions in Education Zones to meet region-based educational need. While primarily focused on public systems of postsecondary education, the EZ-GO Commission should explore opportunities to include for-profit and private institutions in EZ-GO arrangements. It may be the case that particular academic offerings, such as remedial education or certain workforce retraining programs, could be most effectively provided by a specific institutional sector within EZ-GO areas. In these cases, the possibility of including institutions outside the public sector in EZ-GO arrangements should be explored.

Conclusion

Our analysis reveals the critical role of metropolitan America in reaching national college-degree attainment goals. We demonstrate that within these regions students face jurisdictionally complex postsecondary markets that thwart college-degree attainment, but also that these metro areas are where federal intervention would work. The historic state-centered approach to governing postsecondary education, while workable in many cases, is no longer a one-size-fits-all model that is appropriate given national educational need.

Our proposed EZ-GO Commission would be a powerful agent in support of regional approaches to expanding postsecondary education opportunity, pushing the nation toward clearly articulated degree attainment goals. As state leaders struggle with depressed fiscal conditions, provincial college completion concerns, and complex political environments, we hold out little hope that state leaders will nurture a college-degree attainment agenda for the critical metropolitan areas highlighted in our analysis. We do, however, think that supported by federal policy action, local actors could make more effective and efficient use of human capital in interstate metro America.

Appendix A

Methodology

The data used in this report were sourced from the U.S. Census Bureau, the Bureau of Labor Statistics, the Bureau of Economic Analysis, and the National Center for Education Statistics. Multiple data sources were necessary to provide a comprehensive assessment of both educational and economic "stocks" and student migration "flows" as well as maximize the geographic regions under consideration. Throughout the analysis, the population of interest is adults 25 years old and older, and the primary units of analysis are counties within metropolitan statistical areas, or MSAs.

Definitions and data sources

Taken in order, educational attainment from the 2005–2007 American Community Survey, or ACS, data file was split into six mutually exclusive categories: high school dropout; high school degree or equivalent; some college, no degree; associate's degree; bachelor's degree; and graduate degree. For all of the college-degree attainment calculations, the last three categories above delineate a college-educated adult from a "college-eligible" one. The latter is defined as having at least a high school diploma or equivalent but no postsecondary credential. Adults who dropped out of high school before attaining a diploma or equivalent are not considered college eligible.

Three different sets of college attainment calculations were generated using the raw data:

- Percentage of adults with a college degree
- Completion gap—the number of degrees needed to boost attainment levels among the college-eligible population to the 60 percent benchmark
- Completion gap as a percent of the college-eligible population without a degree

Each of the above calculations was conducted separately by selected race and ethnic groups, namely whites, blacks and Latinos.

Demographic and economic indicators of the selected 20 interstate MSAs were taken from a number of sources. For instance, population, household income, and per capita income were obtained from the 2008 ACS data file, while labor force, employment, and unemployment data were obtained from the Bureau of Labor Statistics. The most recent data on gross domestic product and per capita personal income were obtained from the Bureau of Economic Analysis.

Postsecondary institutional characteristics, enrollment, and student migration data were taken from the 2008-09 Institutional Characteristics, Fall Enrollment, and Residence and Migration surveys of the Integrated Postsecondary Education Data System, or IPEDS. By converting their street address and zip code to latitude and longitude coordinates, public four- and two-year institutions and private four-year colleges within the 20 interstate MSAs were geocoded to visually display their spatial distribution. In terms of enrollment data, the number of full-time equivalent and part-time undergraduates both as a total and disaggregated by race and ethnicity was derived from the raw data files. Enrollment data was aggregated to the MSA level as well as disaggregated by county. Lastly, to capture the degree to which recent high school graduates leave their home state to attend postsecondary education, the Residence and Migration survey was used.

Degree completion data was collected using the 2007-08 IPEDS Completions survey. Enrollment and completion data is missing for institutions where a satellite or branch campus is located in an MSA but the parent institution is not.

Defining the geographic regions

As mentioned above, the report focused on MSAs and, in particular, the counties that lie within them. The Office of Management and Budget currently recognizes 366 MSAs, which are defined as having at least one urban area with a population of 50,000 or more plus adjacent counties that, as measured by commuting patterns, have social and economic ties to the urban area. In general, the ACS data are only collected from areas with populations of more than 65,000, but because the population figures are averaged over a three-year period, thus improving the reliability of the estimates, the ACS three-year data file allows geographic areas with populations of at least 20,000 to be included. Using three-year estimates captures most of the smallest counties within the 20 interstate MSAs, which would not be possible using one-year estimates.

Endnotes

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7 Alan Berube, "MetroNation: How U.S. Metropolitan Areas Fuel American Prosperity" (Washington: Brookings Institution, 2007).

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62 The Portland-Vancouver-Hillsboro-Beaverton MSA consists of seven counties. However, Skamania county in Washington state was not included in our analysis since it did not meet the 20,000-person population threshold to be included in ACS data.

63 See Appendix A for methodology, particularly reference to IPEDS enrollment and completion data.

64 See Title 20, Chapter 28, Subsection IV, Part F, Section 1093a.

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