

COMPLETE TO COMPETE



National Governors Association

A Letter from the Chair

For the better part of the past century, America has enjoyed the reputation of having the best higher education system in the world—a system that has produced the highest proportion of college-educated citizens. Through a consistent focus on student access, our institutions have provided millions of Americans the opportunity to attend college. Unfortunately, far too few students are completing their education and not receiving a degree or certificate. The result is that nearly one dozen nations have passed us by in college completion, making our economy increasingly vulnerable to international competition.



"For nearly all Americans, the new path to the middle class runs through college."

In the knowledge-based economy of today, approximately two-thirds of all jobs will require a quality higher education credential or degree. For nearly all Americans, the new path to the middle class runs through college; however, our public institutions are not producing enough college graduates to meet workforce needs. This is detrimental to individuals and states, as college-educated workers earn higher wages, have greater career mobility, and contribute substantially to economic growth.

States have led the charge to reform K-12 education, and the time has come for governors, higher education executive officers, and campus leaders to work together to make marked improvements in college completion and productivity. **Complete to Compete** enlists the help of all governors to make our nation a global leader in college completion.

As states face the worst economic crisis in modern history, we must collaborate to develop common performance measurements and take concrete steps to increase completion rates within our available resources. From transforming first-year coursework to implementing performance funding, it is up to states and institutions to create policies that can improve degree attainment and more efficiently use the dollars invested by states and students.

A number of states, including my home state of Washington, have taken action to increase college completion of our two- and four-year institutions within the constraints of the current economic climate. **Complete to Compete** will draw on these and other efforts to benefit every state and our nation.

I believe we can—and must—improve higher education performance and identify promising state policies as a first step to retaining excellence and regaining access in higher education. Together, we can work to increase the number of college graduates and, ultimately, increase our nation's ability to compete internationally.

Sincerely,

Gov. Chris Gregoire, Washington
National Governors Association Chair, 2010-2011



For the first time in history, the U.S. is faced with a generation of young adults that is projected to have lower educational attainment rates than their parents.

THE CHALLENGES

Over the last two decades, state support for higher education has grown by \$50 billion; yet, the nation has fallen from first to 12th in the world in the number of students who complete degrees. This slide continues at a time when the economy demands more educated workers and Americans increasingly look to higher education as the path to economic success. If left unaddressed, the gap in degree attainment will leave states three million degrees short of their workforce needs by 2018 and seven million degrees short by 2030.

To enhance U.S. competitiveness, grow the economy, and increase the income of the U.S. workforce, it is paramount for the United States to increase college completion—and do it efficiently.

However, there are two significant challenges standing in the way of dramatically increasing college completion:

State Policy

There is a strong consensus that higher education cannot meet the nation's demand for more college degrees at current performance levels.

Degree Completion

The country's current college completion rates are dismal—27 percent for community colleges and 55 percent for four-year institutions—and make the nation vulnerable as individuals and states face one of the worst economic climates in modern history.



THE OPPORTUNITY

Increasing college completion will require a new approach to leadership and creative ideas. While a number of states are already taking steps to boost college completion, increased gubernatorial leadership and participation are critical to achieve meaningful progress.

Increased Degree Attainment

To reclaim the nation's rank as first in the world in college attainment, states will collectively need to produce an additional 8.2 million college graduates. However, the goal cannot be met with recent high school graduates alone. A majority of states will also need to focus on improving educational attainment among older adults. To produce more graduates, states can advance aggressive policies that reengage older students and provide incentives to institutions to increase degree completion.

Improved Higher Education Productivity

Given the current financial crisis facing states, higher education institutions will have to focus on graduating more students within the resources available, while still maintaining quality. A problem across states is the number of students taking remedial courses that do not count for college credit. This increases the likelihood that they will not complete a degree and costs taxpayers about \$1 billion a year. At the same time, the average time to complete a degree has risen substantially for all degree types, which increases the costs of delivering higher education.

Since the GI Bill, the U.S. has made great strides in increasing access to higher education for adults of all ages. Unfortunately, the increase in access has not translated into a substantial increase in college completion.

Although there is a need to produce more graduates, very few state higher education policies are focused on institutional performance. Most state higher education funding structures reward enrollment, not graduation. At the same time, the cost of a college education continues to rise for students and the state while institutional performance lags. In 25 years, tuition costs rose more than 500 percent, constraining students' ability to complete college in a timely manner. States will need to devise policies that at once promote completion and increase efficiency across their higher education systems.

Higher Education Data

For too long, states have funded public higher education without any clear measurement of impact. Unlike the K-12 education system, there are a limited number of agreed upon metrics of performance for higher education, and those that exist do not fully address the multiple aims of training and education beyond high school. For example, the federal postsecondary graduation rate only accounts for half of undergraduates in four-year institutions and a third of undergraduates in community colleges.

Additionally, states lack guidance on measures of college completion that take efficiency into account. Measures that are not comparable across institutions and states hamper the ability of policymakers and the public to analyze system performance. Resolving these data issues will require building a consensus around common college completion and efficiency measures that can accurately portray whether states—and the nation—are meeting the goal of increased degree attainment.

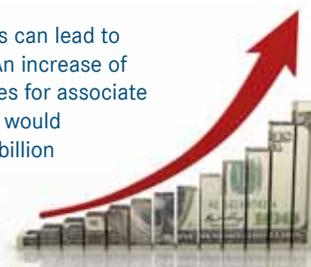
States can help institutions improve productivity and efficiency through restructuring remediation and using technology to create new delivery models that reduce time-to-degree, among other things.

Higher Skilled Workforce

Nearly two-thirds of all jobs in the future will require a college education. Whether it comes as a certificate, an associate's degree, or a bachelor's degree, the majority of individuals—from recent high school graduates to older adults—will need a postsecondary credential for economic viability. Because individuals with lower education levels were the hardest hit by the recession, states can target this group by expanding training opportunities for displaced workers and removing barriers for older adults to return to higher education.

Economic Gains

A concerted effort from states can lead to substantial economic gains. An increase of one percent in graduation rates for associate and bachelor's degrees alone would produce an increase of \$291 billion in national income.



**UNDER THIS INITIATIVE
THE NATIONAL GOVERNORS ASSOCIATION WILL:**



- Raise national awareness about the need to increase college completion and productivity, and the consequences of inaction.
- Create a set of common higher education completion and productivity measures that governors can use to monitor state progress and compare performance to other states and between institutions.
- Develop a series of best practices and a list of policy actions governors can take to achieve increased college completion.
- Provide grants to states to design policies and programs that increase college completion and improve higher education productivity and serve as models for other states around the country.
- Hold a learning institute for governors' senior advisors in education, workforce, and economic development focusing on successful state strategies to graduate more students and meet workforce demands.

COMPLETE TO COMPETE TASK FORCE

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