

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON UNIVERSITY OVERSIGHT

February 28, 2006

5:11 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Ralph Seekins, Vice Chair
Senator Con Bunde
Senator Lyman Hoffman

MEMBERS ABSENT

Senator Thomas Wagoner
Senator Ben Stevens
Senator Kim Elton

COMMITTEE CALENDAR

Overview: National Education Trends - Julie Bell, National
Conference of State Legislatures

PREVIOUS COMMITTEE ACTION

See minutes from 2/7/06 SUOV meetings

WITNESS REGISTER

Julie Bell, Education Program Director
National Conference of State Legislatures (NCSL)
7700 East First Place
Denver, CO 80230

POSITION STATEMENT: Presented overview: "National Education
Trends"

Wendy Redman, Vice President
University Relations
University of Alaska
P.O. Box 755000
Fairbanks, AK 99775

POSITION STATEMENT: Provided UA information related to the NCSL
overview

Pat Pitney, Associate Vice President
Planning & Budget Development
University of Alaska

P.O. Box 755000
Fairbanks, AK 99775

POSITION STATEMENT: Provided information related UA retention rates

Mark Hamilton, President
University of Alaska
P.O. Box 755000
Fairbanks, AK 99775

POSITION STATEMENT: Commented on NCSL overview as it relates to UA

ACTION NARRATIVE

CHAIR GARY STEVENS called the Senate Special Committee On University Oversight meeting to order at [5:11:15 PM](#). Present were Senators Con Bunde, Lyman Hoffman and Chair Gary Stevens.

Overview: National Education Trends -National Conference of State Legislatures

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CHAIR GARY STEVENS announced the committee would hear from Julie Bell who is with the National Conference of State Legislatures.

SENATOR BUNDE mentioned that he would like to discuss the Alaska Scholars Program at a future meeting.

CHAIR GARY STEVENS agreed.

JULIE BELL, Education Program Director, National Conference of State Legislatures (NCSL), opened her presentation with the observation that Alaska isn't alone in reviewing issues related to postsecondary education including the relationship between the state and its institutions of higher education.

She explained that the education program at NCSL has 12 people who work on the same education issues that the Legislature is currently evaluating. That includes the spectrum of issues related to school readiness, the K-12 system, postsecondary, and adult education/workforce development. In addition she said she serves as the NCSL policy expert on higher education issues.

MS. BELL advised that her immediate purpose was to suggest a framework for the work that the committee is doing and she would

focus on broad fundamental objectives of state higher education policy and briefly review how Alaska is doing.

She suggested that the next step would be for committee members to discuss the findings with the higher education community to get a full picture of Alaska's performance. Clearly, she said there historical, political and other factors that make each state different and therefore influence the outcomes.

MS. BELL mentioned the three resources she had provided, which would give background information as well as specific data. Included were "Investment in State Postsecondary Education," "Measuring up 2004 - The State Report Card on Higher Education - Alaska," and the NCSL PowerPoint presentation "A Framework for Evaluating Higher Education Performance in Alaska."

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MS. BELL began the PowerPoint presentation saying that the following data explain why state legislatures are taking the time to understand how higher education is performing and thinking about what policy reforms might be necessary. Clearly, investment in higher education benefits individuals as well as the state.

Slide: The Importance of Higher Education

- The annual income of a worker with a bachelor's degree (BA) averages 80 percent higher than that of a high school graduate.
- Over a lifetime, the gap in earnings between those with a high school diploma and a BA or higher, exceeds \$1 million.

Slide: The Importance of Higher Education

- The demographic distribution of who goes to college and who doesn't is not equal. Only 54 percent of high school graduates from the lowest income families enroll in college compared to 82 percent of those with family incomes of more than \$86,000.

MS. BELL said the data clearly indicates the need to reach lower income students to support successful access to higher education.

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Senator Seekins joined the meeting.

Slide: The Importance of Higher Education

Education pays:

- College graduates earn more and pay more taxes than high school graduates.

SENATOR BUNDE interjected that isn't the case in Alaska.

MS. BELL clarified that the RAND Organization data has shown that each dollar spent equalizing college entrance rates across racial and ethnic groups saves the public between \$2 and \$3. It's a combination of reduced expenditure and increased revenue, which leads to the second point on the slide.

- College graduates are more financially independent and they rely on public services and subsidies to a lesser extent.
- College graduates have higher levels of civic participation than high school graduates.

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Slide: Six Dimensions for Evaluating State Higher Education Policy

- Preparation
- Participation
- Affordability
- Completion
- Benefits
- Learning.

Slide: Caveats

- The framework isn't perfect. It's intended to spark a different context for conversations about higher education policy.
- Categories are not independent of each other but interrelated.
- Alaska has unique characteristics.

- More money isn't the solution - better use of money is a better solution.

Slide: Preparation

How well prepared are eighth school students to enter college or other post-secondary activities?

Indicators used in Measuring Up 2004:

The degree to which students are enrolled in challenging high school courses, particularly math and science.

Scores on national and state assessments.

Participation in college entrance exams and advanced placement exams.

The number of high quality teachers teaching in their major in the K-12 system.

Measuring Up 2004 gives Alaska a B- grade for preparation.

Alaska's Strengths:

Compared with other states, Alaska's eighth graders perform well on national assessments in math.

Alaska performs well in terms of the number of students taught by well-qualified teachers. The state's improvement on this measure has outpaced other states in the last decade.

Alaska's Weaknesses:

Low-income eighth graders perform very poorly on national assessments in math. Alaska has shown a substantial decline on this measure in the last decade according to national trends.

MS. BELL reviewed the following Graded Information and Key Facts on page 5 of Measuring Up 2004:

- Extremely small proportions of 11th and 12th graders score well on advanced placement tests, but a fairly large proportion score well on college entrance exams.
- Among young adults, 11 percent receive a General Education Development (GED) diploma rather than a high

school diploma. That is the highest percentage in the nation.

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CHAIR GARY STEVENS referenced the Change in Graded Measures from page 5 and commented it's an interesting dichotomy that both of the following are happening at the same time.

- The percentage of low-income eighth graders performing well on national assessments in math has declined substantially in the last decade.
- In the same period, the percentage of secondary school students taught by qualified teachers has increased substantially.

MS. BELL agreed it's an interesting observation that bears further scrutiny.

CHAIR GARY STEVENS reviewed SAT/ACT scores under K-12 Student Achievement on page 5 and remarked there is a stark difference between Alaska scores and those from the top states.

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MS. BELL moved to the second dimension.

Slide: Participation

Do residents of all ages have sufficient opportunity to enroll in education and training beyond high school?

Indicators used in Measuring Up 2004:

The rate that high school students continue on to college
Enrollment levels of traditional aged college students
Enrollment levels of working-aged (adult) students.

Measuring Up 2004 gives Alaska a C grade for preparation.

Alaska's Strengths:

A fairly large percentage of working-age adults are currently enrolled in college part-time. However, in the last ten years

Alaska has experienced the steepest decline in the nation on this measure.

Alaska's Weaknesses:

The likelihood of ninth graders enrolling in college within four years has dropped more than the national decline. The reason is the decrease in the percentage of students graduating from high school.

Slide: The Alaska Student Pipeline

The information is from the "Policy Alert Supplement" by the National Center for Public Policy and Higher Education.

- In Alaska, for every 100 ninth grade students:
 - 61 students graduate four years later. The national average is 68 students, but the top performing state has 90 of 100 ninth graders graduating.
 - 30 students enter college immediately. The national average is 40 and the top performing state has 60 students entering immediately.
 - Alaska data isn't available for how many students are still enrolled in college the second year, but the national average is 27 and the top performing state has 44.
 - 12 students graduate with either an associate's degree within three years or a bachelor's degree within six years. [UA data indicates that number is closer to six or eight students.]

SENATOR BUNDE asked where retention information comes from for other states.

MS. BELL responded she didn't know why Alaska information isn't available.

CHAIR GARY STEVENS advised that the University of Alaska (UA) representative had that information.

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PAT PITNEY, Associate Vice President of Planning & Budget Development for the University of Alaska, reported that the number is 17. The retention rate for first year baccalaureate degree students is about 70 percent and just over 50 percent for associate degree students. She explained that the information is readily available; UA just doesn't happen to participate in that particular test vendor survey of the ACT.

CHAIR GARY STEVENS expressed confidence that UA could provide any information that isn't available in the report.

SENATOR BUNDE asked if the final figure means that 12 out of the 30 immediately entering students ultimately graduate with an associate or bachelor's degree.

MS. PITNEY said yes, but the numbers are overstated; it's closer to 6 or 8 students rather than 12.

SENATOR BUNDE noted that the data tracks traditional students who enter college right out of high school, but Alaska has a great number of non-traditional students. He asked for the graduation rate for all students.

MS. PITNEY responded that number is relatively arbitrary because part-time students can take eight years to complete a four-semester degree, but the number of people who start classes and then actually complete a degree is significantly lower.

CHAIR GARY STEVENS mentioned that Alaska is unique in that many people take the long-term path to complete a bachelor's degree.

MS. BELL reiterated the point that thinking about the information in terms of a student pipeline is helpful in determining where the state is losing students and what policies could be targeted to those particular points.

CHAIR GARY STEVENS read the Change in Graded Measures on page 7, which says that the percentage of working-age adults enrolled part-time in college-level education or training has declined by 29 percent and stands as the largest decline in the nation over the past decade. That figure is remarkable and pops out as a major issue, he said. Although the university should be congratulated for bringing more recent high school graduates into the system, he questioned whether something hadn't been lost in the transition.

He noted that in Alaska 1,680 more students leave the state than enter to attend college. Also, about 40 percent of Alaska high school graduates who go to college attend school out of state. He asked Ms. Bell to comment.

MS. BELL acknowledged the number of students leaving stands out as a particular issue. She suggested it would be interesting to know the return rate after graduation.

SENATOR SEEKINS commented he would like to know more than just the raw numbers about the trend for students going out of state.

CHAIR GARY STEVENS agreed that would be interesting, as would information about the impact that the Alaska Scholars Program has had on that number.

MS. BELL presented the third dimension.

Slide: Affordability

How affordable higher education is for students and families?

Indicators used in Measuring Up 2004 Report:

Tuition levels relative to family income levels.

Availability of need-based financial aid

Levels of student debt.

Measuring Up 2004 gives Alaska an F for affordability.

Most states scored poorly in this dimension, Ms. Bell said. The review points include tuition level relative to family income level, need-based financial aid, and levels of student debt.

Alaska's Strengths:

None listed

Alaska's Weaknesses:

Net college costs for low and middle income students to attend public four-year colleges and universities represent about a third of their annual income. These institutions enroll over 90 percent of students in the state. Net college costs equal tuition, room, and board minus financial aid.

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SENATOR BUNDE referenced Alaska community college and public 4-year college/university affordability percentages on page 8 and asked what 20 percent and 21 percent means.

MS. BELL explained it's the percent of family income, for all income groups, that's needed to pay for college expenses.

SENATOR BUNDE directed attention to a chart on page 1 of the "Investment in State Postsecondary Education" indicating that tuition in Alaska is lower than the national average. He asked how that correlates with the information just given.

MS. BELL responded it's a different picture when you look at the percent of family income that it takes to pay for college.

SENATOR BUNDE remarked Alaska would always get an F because it costs more to live here.

MS. BELL said that's a fair comment.

CHAIR GARY STEVENS recapped in Alaska it takes about one-fifth of a family's income to pay for college.

MS. BELL said yes that's true overall, but page 9 of Measuring Up 2004 shows a different picture because it breaks out costs according to different income levels. According to that data, families in the lowest income bracket pay 50 percent of their income to attend a public 4-year college or university. That contrasts sharply with the highest income families that use just 7 percent of their income to pay net college costs. It clearly indicates that the burden is on the lower income population. That's the power of looking at the numbers when they're broken down opposed to the overall average given on page 8, she said.

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SENATOR SEEKINS questioned whether she was characterizing that as a barrier to going to college because the state has a generous student loan program.

MS. BELL responded she views that as a significant barrier. Although Alaska has a generous loan program many families can't afford loans. She suggested that need-based financial aid impacts that population more than loans.

CHAIR GARY STEVENS referenced page 8 and noted that Alaska hasn't invested in need-based financial aid in the past decade and doesn't offer low-priced college opportunities. He said it'd be interesting to find out more about that.

MS. BELL advised that Alaska isn't the only state facing tough issues related to affordability for students.

Slide: Trends in Affordability

- States have decreased the share of higher education funding in state budgets.
- Tuition has increased significantly and in part as a response to decreased state budgets for higher education. In the ten-year period that ended in 2004 and 2005 tuition and fees at public four-year colleges rose 61 percent.
- More students are borrowing more money. Nearly 64 percent of the bachelor degree recipients have had to borrow to pay for college compared to 49 percent a decade ago. In 2004 Alaska students who received a bachelor's degree had an averaged of \$3,300 in loans.
- States are putting more money into merit-based financial aid instead of need-based aid.
- Lower income students are increasingly being priced out of college.

CHAIR GARY STEVENS noted that the Governor has suggested increasing to 15 percent the program giving the highest achieving high school students free tuition at UA campuses. With that in mind, he said he'd like to hear from UA on the topic of need-based versus merit-based financial aid.

MS. BELL commented it's important to reward merit, but those scholarships do draw money away from need-based aid.

SENATOR BUNDE asked if the Alaska Scholars Program figures in affordability.

CHAIR GARY STEVENS responded it probably would because a variety of family income groups would be represented in the program.

MS. BELL said she wasn't prepared to respond, but she would give it some thought.

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SENATOR BUNDE asked if the university had a response.

WENDY REDMAN, Vice President of University Relations for the University of Alaska, advised that the Alaska Scholars Program is privately funded so that data wouldn't be reflected in Measuring Up 2004.

SENATOR BUNDE asked how many UA students attend under scholarship.

MS. PITNEY replied about 450 come in each year. 1,600 students have come in on the Alaska Scholars Program and are either finishing a degree or working on a graduate degree.

MS. REDMAN reminded members that many states received an F for affordability. When the study was done there wasn't any money for need-based financial aid in Alaska. Last year the state invested \$550,000 and the Governor is proposing another million this year in need-based aid.

CHAIR GARY STEVENS said he'd like to discuss the Alaska Scholars Program at some point.

MS. REDMAN offered to do a complete survey at some point. Those students are tracked into jobs and it's known that almost 90 percent of the Alaska Scholars are working and living in Alaska. It's also known that more than 80 percent of the students who leave the state to attend college never return.

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MS. BELL presented the next dimension.

Slide: Completion

Do students progress toward and complete their certificates and degrees in a timely manner?

Indicators used in Measuring Up 2004:

The degree to which students return year after year (persistence).

Completion of bachelors' degrees within 5 and 6 years.

Measuring Up 2004 gives Alaska an F for completion.

Alaska's Strengths:

None listed.

Alaska's Weaknesses:

Compared with other states, a low percentage of first-time, full-time students earn a bachelor's degree within six years of enrolling in college.

A very small proportion of students complete certificates and degrees relative to the number enrolled.

CHAIR GARY STEVENS questioned whether the UA open admissions policy is unusual when compared to other states.

MS. BELL said she was unclear about how Alaska considers an open admission policy and how it might impact students.

MS. REDMAN explained that 15 years ago the University of Alaska merged its community colleges and universities into a single system. In that process open community college type admittance was instituted for all campuses. That policy skews the comparative data, but Alaska completion rates would be low compared to national averages in any event. However, when comparable university programs are analyzed the data looks very different. She acknowledged that it's an unusual and unique model.

CHAIR GARY STEVENS emphasized it's an important consideration.

SENATOR SEEKINS said if not completing a program in a timely manner is viewed as a negative, then that must be balanced with the fact that the system allows open entry over a long period to provide opportunity for people to work toward a degree or further training in their particular job skill.

CHAIR GARY STEVENS asked that the university review the report and make an effort to provide any data to fill in blank spots.

MS. REDMAN agreed to do so then referencing Senator Seekins' last comment, she added the university has a unique situation in that few students are there because it's an easy lifestyle.

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MS. BELL presented the next dimension.

Slide: Benefits

What benefits does the state receive as a result of having a highly educated population?

The indicators used in Measuring Up 2004:

Number of adults with bachelors and advanced degrees.

Percent of the population that votes, contributes to charity, and other public activities.

Adult literacy rates.

Measuring Up 2004 gives Alaska a B for benefits.

Alaska's Strengths:

The state scored well in all the foregoing indicators.

Alaska's Weaknesses:

Over the past decade, the gap has widened between whites and minority ethnic groups in the percentage who have a bachelor's degree.

She noted that on page 11 of Measuring Up 2004 under the section labeled Other Key Facts it says that if all ethnic groups had the same educational attainment and earnings as whites, total personal income in the state would be about \$802 million higher, and the state would realize about \$281 million in additional tax revenues.

CHAIR GARY STEVENS remarked there is no state income tax in Alaska, but the disparity between ethnic groups is a telling issue that the committee would come back to.

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Slide: Learning

How well are students learning in their higher education experience?

Indicators used in Measuring Up 2004:

No adequate indicators.

Potential indicators include literacy levels of adult residents, graduates ready for advanced practice, performance of college graduates.

Measuring Up 2004 gives Alaska and all other states an incomplete because states aren't measuring this indicator well enough to know how they're doing.

Some states are beginning to collect information on adult literacy, graduates ready for advanced practice, and performance of college graduates. The point is that learning is important and states aren't collecting adequate data to know how well they're doing.

SENATOR BUNDE mentioned rigorous teacher preparation tests.

MS. REDMAN responded accrediting agencies are requiring more learning assessments. UA tracks on licensures for all professional students so it has good data on how that's working.

SENATOR BUNDE mentioned recent news articles related to "dumbing down" of college graduates and asked if other states are similarly charged.

MS. BELL responded that could be a future conversation.

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Slide: Next Steps

- Use the information to ask more questions and get more data.
- Talk with the higher education community to uncover the story behind the numbers. That's the benefit of using the Measuring Up 2004 report and thinking about the framework.
- Identify together the fundamental state priorities for higher education. Ask which dimensions Alaska wants to tackle.
- After that conversation you can talk about specific policy approaches to obtain those objectives.

- Learn about policy approaches that are working in other states and institutions.

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SENATOR BUNDE questioned whether older students are factored into the completion equation because many in that population aren't on a degree path.

MS. BELL agreed that data for traditional and non-traditional students should be accounted for separately because non-traditional students are an important segment of higher education users.

CHAIR GARY STEVENS asked President Hamilton if he had any comments.

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MARK HAMILTON, President of the University of Alaska, stated that he looks forward to the continuing dialog. He noted that UA had continued with the missions and measures even though the legislative requirement had been dropped so the sort of data that was under discussion was readily available.

MS. REDMAN suggested that the policy questions listed on page 4 of Measuring Up 2004 would provide a guide for productive discussion.

CHAIR GARY STEVENS thanked the participants.

There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at [6:20:02 PM](#).