

For Washington Community and Technical College Trustees TACTC 2010 Fall Conference

Thanks for the opportunity to be with you. I want to recognize the extraordinary leadership of WA colleges, and the state board. You teach and inspire us at the Gates Foundation and many others across the country. As the recent edition of *Washington Monthly* demonstrates—with so many Washington community colleges on its best colleges list—WA is leading the way—both at individual colleges and as a system as a whole.

I also want to recognize that these are tough times. On all of your campuses, demand and enrollment are up, and resources are down. I know this is a particularly painful situation for community college leaders, since you are so passionately focused on serving the needs of your communities and the students who come to your doors. So when I ask you today to look beyond the constraints of the present, please know that I appreciate how difficult this moment is and how many pressures are upon you.

But today, I will encourage us all to look at the ways in which this moment is also one of incredible opportunity. It demands breakthrough leadership so that we can educate many more students, at higher levels of quality and completion, without new resources. This makes it an exciting and challenging time to be a trustee. Your leadership in these next few years will be critical. You play a key role.

I want to save as much time as possible for conversation with each other, but first let me touch briefly on 3 topics:

- How we at Gates—as one among many stakeholders—see the moment of opportunity;
- What we are doing nationally;
- What you as trustees can do, here in Washington state.

I. Opportunity:

This is a time of increased attention and long over-due recognition for community colleges. The Obama administration has made community colleges a priority, with a White House Summit coming in October. Congress has expanded both the eligibility and the amount of Pell grants in ways that will benefit community colleges. Yet, increased attention will also bring increased scrutiny and expectations. Those are expectations we have to figure out how to meet.

Throughout our history, education has been a key ingredient in our country's success. Our schools, colleges and universities are open to everyone and educational progress and achievement are core principles that have sustained the country in tough times and accelerated it in good times. Yet, the United States has fallen behind many other nations in educational achievements. More importantly, we've fallen below our own high standards of excellence for high school and college attainment.

As you well know, only one-third of students who graduate from high school are ready for success at the postsecondary level. Of those, too few enter any postsecondary education—especially in Washington which ranks among the bottom 10 states. Moreover, for those students who do enroll, too few complete.

You know numbers as well as I do. In our country, only about half of those who start a 4-year degree finish it – after six years. Worse yet, barely more than two in 10 who are pursuing an associate degree make it to graduation day in three years. As a result, America now ranks 12th in the percentage of adults ages 25 to 35 with a postsecondary credential. Twenty years ago, we were number one. Unless things change dramatically and quickly – this generation of Americans will be the first in our history to be less educated than the previous one.

In the global knowledge economy, the economic consequences of these failures are serious--especially at a time when projections show that 6 of 10 jobs require some kind of advanced education or training – and only 40 percent of Americans today have attained it .

So completion matters. I know this is complex in the community college context, where you serve many different kinds of learners. But I think we can agree that degree completion is one important part of the community college mission, and there is room for improvement.

What we see happening:

When you put together the profile of community colleges and the country's great need, we should expect that community colleges will receive greater scrutiny and expectations for strong improvement in their completion rates.

Take for example the current Congressional hearings on student loan default rates in the for-profit sector. Even though Congress and the Administration are focused on the for-profits, it is striking that they have published completion and default rates for **both** for-profits **and** publics. They are also struggling with the challenge of how to fund an expanded Pell program in this economic environment. So we are likely to see Congress asking harder questions. What are we getting for the money we spend? (No one, for example, knows how many students who receive Pell grants actually complete degrees). How can we do much better—given that we spend two times more than any other developed country and yet lag behind in postsecondary attainment?

SO: Don't expect the scrutiny will stay focused only on for-profits. Be prepared to lead. Too often community colleges come across as defensive, explaining away their completion rates by

emphasizing the diverse goals of the students they serve. It is in your interest to lead on the drive for dramatically improved completion—to position community colleges as focused relentlessly on what it will take to get there.

II. So what we are doing?

As you know, the foundation is committed to this issue for the long haul. Our goal is to help dramatically improve completion—making high quality learning and success available to many more students at lower cost in terms of the time and money they spend.

In the short-term, we see 3 “got to’s” necessary to lay the groundwork for long-term success. I will describe each very briefly; and am happy to talk more in Q&A.

1. **Build evidence what works to increase completion, at what cost?** Here the foundation has a key role to push the envelope through multi-site demonstrations that test promising strategies at meaningfully “large scale.” By “large scale,” we mean we are funding *proof of concept* (testing in 2-9 institutions, such as expanding the MDRC performance-based scholarship demonstration to 6 states and 10,000 students) and *early scale* (testing in 10-100 institutions). We are keying off the loss and momentum point framework that WA pioneered, and we have amplified for our internal purposes—targeting the largest loss/momentum points, such as developmental education.
 - **Examples:**
 - **Institutions:** upcoming initiative: Completion by Design
 - **FAFSA:** according to the US Dept of Education, over 1.5M Pell eligible students do not complete the FAFSA. Increase of FAFSA completion rates alone would boost 6-year graduation rates by as much as 5 percent. Our intervention: work with HR Block and now US Department of Education to automatically fill out the FAFSA from tax forms. A pilot program increased FAFSA submission rates by 39 percent and college enrollment rates by 30 percent for high school seniors. This is important because FAFSA completion rates vary greatly by institution, with over 98 percent of students completing it at 2 year for-profits and fewer than 44 percent completing at community colleges.
 - **The Midwest CREST** – a virtual bank where students from 12 midwestern states can park the credits they’ve earned from multiple colleges and universities, while they plot a path toward a degree, and get help from CREST in negotiating the best match with colleges that will accept the most credits when they transfer.

- **MDRC** launched the performance based scholarship demonstration at six colleges to address two policy objectives: increasing the financial support available to low-income students and to create an incentive for such students to complete their courses and make more timely progress toward degrees. By providing a supplement to existing federal and state aid that is contingent on enrolling in a minimum number of credit hours and making passing grades, we hope to accelerate progress toward completion. More than 7,300 students are enrolled in the demonstration of which more than 3,500 will receive a performance based scholarship.
2. **Increase adoption of radically improved delivery models to increase completion**, that make lower cost, high quality postsecondary education available to more people, with a particular emphasis on today's majority—working students. Investments in institutional change, technology and new delivery models that target loss/momentum points.

Examples:

- **Western Governors University:** high-quality, low cost NON PROFIT university primarily on-line hybrid model, where student progression is based on competency, not seat-time. An on-line university, it combines high touch and high tech approaches. It searches out the best curriculum developed elsewhere and focuses on teaching it well. It relies on competency based progression, not seat-time or credit hours, and it uses external assessments to evaluate student proficiency. Self-sustaining on tuition of \$6000/yr that has not raised tuition in four years. Overcame substantial start-up barriers, including the fact that it took five years to get accreditation. Now at inflection point: 20,000 students and growth rate of 30 percent per year. We are funding expansion of “private label” into Indiana, where they will enroll underserved students and will accept those who complete an AA at Ivy Tech community college with full standing as juniors-- something Indiana University and Purdue have resisted.
- **NCAT:** course redesign of large freshman year lectures producing 50 percent better completion at 30 percent cost. Our grant expanding it to dev math. 84 colleges applying for 38 spots to replicate model. Willing to self-fund. [Dev ed is critical loss point. Melinda: Miami Dade: 74 percent of recent high school graduates test into remediation]

In all this, we believe a foundation like ours, which has significant resources and is in it for the long haul, has a responsibility to ask hard questions and fund the evaluation and R&D necessary to help answer them, to expect risk and-- with it failure; and to stand with innovators and risk-takers as they learn . We want to be a powerful ally and respectful partner to you.

This brings me to some thoughts about what you can do.

III. What you can do:

Sometimes I think that perhaps our greatest obstacles to improving college completion in America are not the resources, policies and laws themselves, but our own long held beliefs and values. I want to challenge you to look deeply at some of the most sacred of those: time, choice, and structure.

In our colleges, as in all aspects of American life, we have consistently made decisions over the past several decades in favor of “more”--more time, more choice, and more flexibility. These good intentions have led colleges to become extended periods of “self-discovery,” led to course catalogs the size of phone books, and led to chaotic schedules poorly matched to the needs of today’s students.

It is time to look seriously at how to change this. First, of course, we must guard against losing what makes American higher education the envy of the world: our open access; the quality of our faculty; the flexibility that allows students to have multiple chances. But we also need to make sure our pride doesn’t blind us to essential changes needed.

Figuring out the path forward needs to start with a better, clearer look at the needs of today’s students. After all, even in the recession, industry after industry has demonstrated that survival and prosperity demand adjustments to match the emerging needs of new customers.

In higher education, the challenge is that today’s students are different, and colleges have not changed accordingly. You know better than I that the changing demographics of our country combined with the high costs of college means that the new majority of students are from traditionally under-represented populations, and that they must combine work and school in order to attend. Indeed, 60 percent of community college students work more than 20 hours a week. And while it’s clear that too many students work too many hours, that’s unlikely to change unless college suddenly becomes a lot more affordable. There seems little chance of that.

So what would it look like to change institutions so that they better meet the needs of today’s students? We would need to think differently about time, choice and structure.

First, Time:

With so much at stake, today's students need to finish their studies as soon as possible to get on with life. They need clear pathways to quality degrees and career certificates in order to land the good jobs they desperately want. And they must have predictable schedules they can count on in order to balance jobs and school.

Data shows that when it comes to degree completion, time is the enemy. Giving students more time to graduate does not yield many more graduates.

- The rate of degree completion *decreases* among students who wait a year or more to start post-secondary study.
- Giving students more time to finish a degree does not appreciably increase completion rates. To pick on 4-publicyear colleges, only 29 percent of full-time students graduated on time. After the fifth year of pursuing a Bachelor's degree, 19 percent more graduated. After the sixth year only 6 percent more graduated, and eight years after enrollment, only 3 percent more students made it to graduation day.
- The more time students take for completion, the greater chance that "life" or other responsibilities will intervene to derail their degree aspirations.
- And a longer path to degree costs students more – in actual education costs and income lost while going to school.

Second, Choice

Like time, excessive, undirected choice works against degree completion.

James Rosenbaum, of Northwestern University, and his colleagues, have found that although students "are assumed to be capable of making informed choices, of knowing their abilities and preferences, of understanding the full range of college and career alternatives, and of weighing the costs and benefits associated with different college programs, [their] analyses show that many students have great difficulty with such choices."

What he finds is that too often public 2-year colleges design their programs and procedures based on faulty assumptions about the capability of their students to make informed choices, and that their private counterparts often do not. According to Rosenbaum and his fellow researchers, many private 2-year colleges – with identical student bodies – shift academic planning responsibilities to themselves, "devising procedures to help students succeed even if they lack the traditional social prerequisites of college." And it works: private 2-year schools graduate significantly more students than their public peers.

How do they do it? The private 2-year colleges in the study offered students "package deal" plans for accomplishing specific academic and career goals in a clear length of time. Instead of charting their own paths by navigating daunting catalogs overflowing with choices, students are guided toward a few good-paying career fields by utilizing structured programs that move students to degrees in the shortest time possible.

Private colleges are not the only examples. Consider the success of the past twenty years at the public Tennessee Technology Centers. Part of the Tennessee Board of Regents system, the statewide Technology Centers have been regularly accomplishing graduation rates of 75 percent or higher and job placement rates above 85 percent.

Their approach shares many common elements with private schools: Students sign up for whole programs, not individual courses. They are clearly told how long the program will take to complete, the likelihood of success, and the total “all in” costs. There are plenty of choices, but choice is “directed,” streamlined to cut down on confusion and the chance of mistake.

By choosing to think differently about choice, colleges can meet the needs of more of today’s students and share in the success that comes with more graduates.

Finally, Structure

Combining clear choice with new structures for delivery is the most powerful of all. If we put students at the center, would programs be designed that required an 8:00 a.m. class on Monday, a 2:00 p.m. class on Tuesday, 11:00 a.m. on Wednesday, etc.? Good luck finding employers willing to schedule around that. And good luck when it all changes again the next semester.

Instead, what if programs were designed using more structured scheduling? Students could attend classes every day, five days a week, from 8:00 a.m. to 2:00 p.m. Full-time attendance would now be possible for many more, dramatically shortening the time it takes to graduate. And finding time for jobs in such a predictable daily routine is no longer a challenge.

Back to Tennessee Technology Centers: they structure academic delivery in just this way. Three-quarters or more of their students earn career certificates in 12 to 18 months going full-time, five days a week, from 8:00 until 2:00. Every year over 12,000 students move through the multiple Technology Center campuses and nearly all of them head straight into jobs.

Structure also produces some added bonuses that we should not overlook. Compressed class schedules create stronger linkages between faculty members – and cohort-like connections between students. Professors not only interact more often, they also tend to create team approaches to teaching the students they share. And students often move through programs as a group, strengthening their ties and support of one another.

But, structured scheduling only works for vocational education and career certificate programs, right? Wrong. The City University of New York’s ASAP program for accelerated completion of associate degrees is so successful that the system will soon open an entire campus designed to utilize block scheduling, student cohorts, directed choice and reinvented supports. Why make this kind of significant investment in the midst of a budget crisis? Because it works so well: ASAP students graduate on-time at more than twice the rate of their peers.

So my charge to you: at each Board meeting and in between, ask three questions:

1. When we are considering new programs and policies designed to increase college graduations, apply these vital tests: Will it reduce the **time** it takes to graduate? Will it help direct students in making an informed, transparent **choice**, clearly consistent with their aspirations? Will it provide more predictability and **structure** in order to ease their daily struggles to balance school and jobs?
2. Do you know, ask for, and use data? For example, do you know what your system's graduation rate is? Are you using data to determine your system's loss points and momentum points? Are you acting on that information? What's the percentage of developmental education students on your campuses who go on to earn a degree? Are you comfortable with that number? Do you know transfer rates, and how many succeed at the colleges to which they transfer?
3. Do you reach back and reach forward? Do your campuses coordinate efforts with their local school districts, city agencies, and mayors? Do you engage employers?

This very week, at the beginning of the fall semester, our campuses are overflowing with eager students with high aspirations from all walks of life. Overflowing campuses bring many challenges, but they also provide an historic opportunity: the future generation we are counting on is there by the millions on the first day of classes. They are doing their part, often against great odds and in spite of significant challenges. We cannot afford to miss this chance at a better, stronger, more prosperous America. But, to seize this moment demands a new direction and a reinvention of American higher education. You are the leaders we have been waiting for. We are inspired by what you have already done, and what you will do. We look forward to continuing to be your partners.