

Texas Higher Education Coordinating Board

Council for Continuous Improvement and Innovation in Texas Higher Education

Hilton Austin Downtown
500 East 4th Street, Austin, Texas
Meeting Room 406 (4th Floor)
November 8, 2011
12:00 p.m. to 3:00 p.m.

Minutes

Meeting attendees:

Council Members in Attendance: Fred W. Heldenfels IV (Chair of the Council), Harold W. Hahn (Vice-Chair of the Council), Gerry Griffin, Brenda Hellyer, Woody Hunt, Jodie Jiles, Charles R. Matthews, Beth Robertson, Pam Willeford, and Roberto Zárate

THECB Staff in Attendance: Raymund Paredes (Commissioner of Higher Education), David Gardner (Deputy Commissioner for Academic Planning and Policy), Linda Battles (Associate Commissioner), Lee Holcombe (Director, Higher Education Policy Institute), Kevin Lemoine (Deputy Assistant Commissioner, Academic Affairs and Research), Lizette Montiel (Assistant Director for State Relations), Sarah Rondinelli (Administrative Assistant), and Melinda Valdez-Ellis (Associate Program Director)

Public in Attendance: Liz Bolin (Governmental Relations, UNT System), Laura Calfee (Governmental Relations, UH System), Sarah Kirkle (Sunset Commission), Carlos Martinez (Governmental Relations, UT Austin), Barry McBee (Governmental Relations, UT System), Rissa Potter (Council of Public University Presidents and Chancellors), David Rejino (A&M System), and Rey Rodriguez (UNT System)

12:00 p.m. Council Luncheon

- Council members and THECB staff

1:00 p.m. Welcome and Introductions

- Fred W. Heldenfels IV, Chair of the Council

Mr. Heldenfels called the meeting to order. He explained and listed the meeting materials that were provided to all attendees. He asked Council members to introduce themselves. After the introductions, he thanked the Council members for agreeing to serve, and noted that three members (Guy Bailey, Phil Diebel, and Ray Messer) were unable to attend today's meeting. He also noted that since forming the Council, Brenda Pejovich, regent of UT System, who had previously accepted, has now decided not to serve due to time conflicts, and thus he noted that they are now looking to recruit an actively-serving regent to serve on the Council. He informed the Council that they were also welcome to recommend another member with experience in higher education, as there are at least two Council vacancies to fill.

Mr. Heldenfels then asked THECB staff and members of the public to introduce themselves.

1:15 p.m. Overview of Charges to the Council and Approval of 2012 Council Meeting Dates

- Fred W. Heldenfels IV, Chair of the Council

Mr. Heldenfels explained the background of the charges to the Council in regards to the state's higher education plan, *Closing the Gaps by 2015* (CTG). He acknowledged that some of the

Council members were involved in the formulation of the CTG plan, and explained that the plan was meant to make Texas competitive with the other ten largest states in the US. He noted that Texas is on track to meet the major goals of *CTG by 2015*, but that there are still four areas that need improvement. A few years prior, an accelerated plan for CTG was developed to address those four areas of concern: 1) participation by African American males and Hispanics, 2) success of African Americans and Hispanics, 3) STEM degrees awarded, and 4) teacher certification and effectiveness. He noted that even though the CB remains focused on those four areas of immediate concern, it has started looking beyond CTG to a long-range leadership vision for 2030, in order to make Texas not only competitive nationally, but internationally. The leadership vision developed by the CB envisions Texas becoming a global leader, and recognizes the shared responsibility of the major stakeholders in ensuring student success, and the importance that student success plays in preparing our state's future workforce and public leaders. It envisions Texas as a global leader with an internationally competitive economy and higher education system.

Mr. Heldenfels explained the two charges to the Council:

1. To develop the Texas dashboard – the key measurable goals for Texas to attain by 2030. If Texas is going to become an internationally competitive higher education system, what does that look like in comparison with the goals of *CTG by 2015*? The Council will review and recommend the key final metrics needed to assess Texas's continued progress toward those goals, and identify the ultimate goals for Texas by 2030. This will be the groundwork for establishing the CB's next long-range plan beyond CTG. The CB has worked with outside consulting firm FSG – Social Impact Consultants to define nine potential measurable objectives, but the discussion of the Council is not confined to those; the challenge is to limit the vital few goals and come to consensus on what those are. Just as CTG identified how much Texas needed to grow enrollment for participation goals, and how much Texas needed to add to its annual degrees conferred or courses completed, the Council will identify similar and different objectives, such as measurements of productivity and quality.
2. To help Texas higher education develop a culture of continuous improvement that will enable it to embrace the changes needed to accomplish the goals that the Council will set forth in the long-range plan. This charge is not about defining which solutions fit individual campuses, but rather about what the state of Texas can do in terms of policy and leadership to encourage our institutions of higher education to change their culture to focus on excellence and student success, and to help move Texas from parity to international competitiveness.

Mr. Heldenfels shared some highlights from the recent article "Colleges Must Find Innovative Ways to Finance Their Missions," by Gordon Gee, which appeared in *The Chronicle of Higher Education* on October 31, 2011. The article describes the challenges faced in higher education on a national scale. One of the main challenges is the decline in federal and state dollars for higher education, which is unlikely to change. Gee talks about rethinking how institutions finance their core missions, which is not recession-thinking, but future-thinking. This effort is not a reaction to a recession, but rather a cultural change in higher education and state government, and how the delivery and quality of education is viewed. The article references Ohio State, whose starting point was to address four issues: 1) finding innovative ways to leverage the market, 2) assessing university-owned assets and shedding those that don't contribute to their central core mission, 3) commercializing technological innovations which drive new revenue sources for their institution, and 4) simplifying processes and creating a "lean" culture. The article examines why higher education must find a way to change its culture to one that embraces lean, continuous improvement, which is not just about cost efficiencies, but also about qualitative gains while maintaining decent productivity – it's as much about excellence and quality as it is about productivity.

Dr. Charles Matthews commented on the fact that the demographics of Texas are changing, which means that in order to ensure access to higher education for all, the state will need to rethink how best to reallocate funds, and whether more should go to the institutional buildings and faculty, or if more should go towards financial aid for students, which is an issue for policy-makers. Mr. Heldenfels agreed and said that he hopes the work of the Council will help to change the tenor and nature of the discussion that the state is having about these issues. The discussion needs to be transparent and out in the open, and it needs to be okay for institutions to talk about innovative changes and doing things in new ways. Although that is difficult to do in academia, it can be done, but only with genuine cultural change.

Mr. Heldenfels said that one- to two-year terms will be assigned for Council members, and that it would be left open-ended as to whether this Council should be a standing body to encourage continuous improvement, or whether there should be a logical endpoint after taking the state's 2030 long-range plan to its launching pad.

Mr. Heldenfels asked the Council if they had a chance to review the 2012 Council proposed meetings dates, and whether anyone present had any standing conflicts with those dates. Other than the April 2012 meeting date, which falls on a Tuesday, he said they were proposing that the other 2012 meeting dates would fall on the fourth Wednesday of the quarterly month. Mr. Griffin asked if it was envisioned that the proposed meeting dates would be face-to-face meetings. Mr. Heldenfels said that the proposed meetings will be face-to-face and that he wanted to make sure that there were not standing conflicts for most Council members on those dates. Mr. Hunt said that he could not attend the April meeting due to a conflict. Mr. Heldenfels said that he did not expect 100% attendance at all meetings with this group, but that if a Council member was unable to attend a meeting, that the CB would send their meeting materials, and ask that they read through those materials and respond with ideas or suggestions.

Ms. Robertson asked Mr. Heldenfels to clarify what products he expected the Council to deliver. Mr. Heldenfels said that the formation of this Council was a long-range recommendation from the Cost Efficiencies Report, which came out of the effort of the Advisory Council for Higher Education Cost Efficiencies. Since forming the Council, some of the scope of mission has become the interim charges that Speaker Strauss announced; one specific deliverable would be determining the measurable objectives of the next long-range plan, which is an interim charge of the House Higher Education Committee, and the main goal of this Council. Dr. Matthews suggested that two basic parts of that deliverable would be participation and success. Mr. Heldenfels clarified that in this long-range plan, the Council will focus more on success and excellence, and how they are defined, and what the measurable metrics are to achieve those goals. There are nine categories of metrics that the Council will be reviewing. After the 2013 legislative session and prior to the 2015 session, the CB will start getting buy-in and will launch the next long-range plan for higher education, which will be created and implemented in a similar manner as CTG.

Dr. Matthews said that CTG did not put a cost on its goals, and asked Mr. Heldenfels if he planned to speak with the legislature in terms of goals and costs of the new long-range plan. Mr. Heldenfels said that he does intend for the Council to address two points: 1) cost per degree (cost to taxpayer and cost to student) and 2) what constitutes sufficient funding to provide institutions what they need to meet productivity benchmarks. Dr. Matthews suggested bringing in economic consultants, such as those at the University of North Texas, for expertise on such issues. Commissioner Paredes said that Dr. Holcombe, Director of the Higher Education Policy Institute (HEPI) at the THECB, is working on those exact issues, and that HEPI has the resources to hire an outside consultant. Dr. Holcombe is researching the cost of higher education in Texas and what the costs should be by looking at a variety of metrics. HEPI is also looking at where the tipping point is when higher education becomes so expensive that it is inaccessible to a large number of students. In his new book, *The Innovative University*, Clay Christensen addresses these accessibility issues. Dr. Holcombe said that in the short term, HEPI has been working on the cost of degree issue; one of the most fundamental recommendations of the Report on Cost

Efficiencies in Higher Education was to decrease the cost of degree by 10%. HEPI is working on metrics to determine cost of degree. There is a lot of national talk about cost of degree, but it has not really been defined, because the data has not been there to support metrics that states and institutions can utilize. HEPI is working on a methodology that will examine the actual cost of degrees at all levels (undergraduate, graduate) and how that might differ by populations. Dr. Matthews added that bringing in economic consultants would add credibility and tremendously benefit the Council in forming its recommendations and getting buy-in from the legislature. Income trends in Texas are flat and there are large populations not making much money, but those populations are the demographics that need to increase their participation in higher education. Mr. Heldenfels said that the increase in community college enrollment, the growth in for-profit institutions, and the development of online programs are all helping to address the problem of affordability and that the Council will be looking closely at these issues.

1:45 p.m. Cost Efficiencies and Innovations in Higher Education

- Fred W. Heldenfels IV, Chair of the Council

Mr. Heldenfels asked the Council to review the executive summary of the Report on Cost Efficiencies in Higher Education and to focus on the long-term actions. The short-term actions are ones that the CB is addressing or that were addressed either successfully or unsuccessfully during the 82nd legislative session, and some will be deferred to the 2013 session. The long-term actions include items such as adopting tools for measuring learning outcomes, strategic growth planning to identify cost-effective delivery models, funding results, creating clear pathways for successful student outcomes (which has cost-efficiency ramifications for the students and their parents), meeting demand with new approaches to delivery, making capital financing make sense (this Council may look at both higher education funding and capital funding and whether there is a better way to structure them), and making continuous improvement a culture of change (the formulation of this Council was a recommendation that came out of that section of the report).

Dr. Matthews asked if there would be a discussion or recommendation about the number of universities in Texas, because every time another institution is created, it reduces the funding for all of the other ones. Mr. Heldenfels said that the focus will be on what is politically possible and pragmatic in moving the state forward.

Mr. Hunt said that the state needs to be working toward a cultural change and creating a college-going attainment culture which focuses on success. It starts with political, business, institutional, and not-for-profit leadership all being on the same page; the only way to get there is to be much more transparent on the goals, which is one of the charges. Internationally, with the Organization for Economic Cooperation and Development (OECD), some very clear pathways have been laid out; international benchmarking is taking place on those who are deciding where the jobs and investments are going to go. Texas is part of that competition; every day Texas is competing for income, which is highly correlated to how educated its citizens are. And those trends will show that Texas doesn't compare very well in an absolute sense with those that it competes against. If Texas is going to get resource allocations, it has to be much more transparent about where it is and where it wants to go.

Mr. Griffin asked if the projected demographics of the state would be analyzed in looking to 2030. He said that the Council cannot aim for the future while just looking at today's data, because the demographics will be quite different in 2030. Mr. Heldenfels said that the Council would be looking to future projected demographics, and noted that another challenge is projecting what the workforce needs will be in 2030. Commissioner Paredes noted in response to Mr. Griffin that Steve Murdock is the best source which the CB uses for projected demographic data for Texas. He said that the Council could have Dr. Murdock make a presentation at a future Council meeting on projected data for 2030.

Mr. Jiles made two points: 1) he wants to have Mr. Hunt's report on international competitiveness as a focus for another meeting, because it goes back to making Texas a global leader, and 2) as the Council talks about cost of degrees and demographics, it needs to discuss what comprises an internationally-competitive student.

Mr. Zárate noted that he agreed with Ms. Robertson that there should be some type of deliverable for the Council. He has served on several similar councils and committees and one of his frustrations with those bodies is that there is a lot of talk about what they need to do, but nothing ever really gets accomplished. He wants this Council to lead the state and establish a plan of action, utilizing important work, such as Mr. Hunt's report on international competitiveness and the CB's report on higher education cost efficiencies, and turning that work into implemented action, rather than just reports that are passed around and discussed at meetings. He said that the Council needs to look at what policy positions need to be established so that a plan of action for the state can be implemented, and only once a plan of action is established can costs really be discussed.

Mr. Heldenfels said that a major bill that passed the legislature in the recent session was SB 28, which prioritizes the TEXAS grant, which is the largest student financial aid tool that Texas has. Grant monies are still distributed to institutions, but students who meet two out of four criteria are able to move to the front of the line and receive priority for a TEXAS grant. Once the demand for grant money has been met for priority students, then other students are eligible for the grant if money is still available at their institution. Mr. Hunt noted that is a clear example of a policy change that started as a discussion at the CB, and ended up being implemented by the legislature, and will give Texas more degrees per dollar. Mr. Heldenfels said that a legislative summary will be distributed to Council members.

2:05 p.m. Update on *Closing the Gaps by 2015*

- David W. Gardner, Deputy Commissioner for Academic Planning and Policy/Chief Academic Officer

Dr. Gardner set the stage for his presentation by comparing the establishment of the *CTG by 2015* plan to the Council's mission to establish the next long-range higher education plan for 2030 and to make Texas internationally competitive.

Upon establishing the CTG plan, the Board chose to focus on four areas: participation, success, research, and excellence. Even though the CTG plan is a long-term vision, it has not been stagnant but rather has evolved as the Board has received quarterly updates and made changes to the plan as needed over the years. One example of a change has been the increase in the goal of participation from 500,000 students to 630,000 students enrolled in higher education. He said that it is important to note that even though Texas may hit its statewide participation target, unless participation improves in certain demographics, such as African American males, then it has not been successful. The Board actually increased the target for African Americans, and the target was met due primarily to African American females, but there is still a shortfall in participation by African American males, and males in general. The Hispanic population is the largest-growing demographic but is still short of the target participation goal, as is the white demographic.

In forming the CTG plan, the CB looked at the other states, and Texas did not compare well with the other largest states in any of the demographic categories. While Texas is getting better, it is not getting better fast enough. In looking at 7th grade Texas cohorts and tracking them through to college, in the original 1998 cohort, the CB found 17,000 students who did not graduate high school, but were enrolled in higher education, so that means they may have been homeschooled, received a GED, attended a private high school, or attended an out-of-state high school. The CB does have a system to track students from high school through college, even if they leave and come back to Texas. In the original 1998 cohort studied by the CB, only 18% of students had completed some type of a higher education credential by 2009.

Community college enrollment has soared, with an additional 62,000 students attending a community college in Texas in fall 2011 than did in fall 2010. When such a dramatic increase in enrollment occurs, as Dr. Matthews noted earlier, the costs to the system go up, and the resources have not been sufficient to keep up with the soaring two-year college enrollment numbers. So even though Texas is on target to meet its participation goal, it has created a bit of a problem with the increased costs and lack of resources. There was an increase in participation from 2010 to 2011 by Hispanics of 4.5% and by African Americans of 9.9%, but it is important to note that if Texas just hits its participation goal of 630,000, it will miss the Hispanic target of 5.7%. Texas is not enrolling enough Hispanics or keeping them in college to completion.

Dr. Matthews asked what happened to make the African American jump of 9.9%. Dr. Gardner said that certain programs to increase participation have been targeted (such as AVID, advising programs, etc.), and that there has been a dramatic increase in participation by African American women, and that the graduation rates are going up for women. Commissioner Paredes noted that most of the dramatic growth in African American participation has come at institutions to where they historically did not have access. Another important data point is the category of "other" which could be a result of intermarriage between ethnic groups, primarily Asians and Hispanics, as well as the declining importance of race (students do not want to label themselves as a particular race), but it has important implications when making a long-range plan because you have to consider whether ethnic labels will still be important in 2030.

Dr. Matthews said that the Council should include a non-traditional group in its long-range plan, because in some institutions, the non-traditional group is the category under which the majority of their students fall. Dr. Gardner said that the definition of non-traditional needs to be discussed, because the label is loosely used. Mr. Zárate said the different intentions that students have when they enroll need to be examined further, because they can vary quite drastically between community colleges and four-year institutions. Some students come to the community college simply wanting to learn Spanish – they do not want to graduate or to transfer, so they don't meet any of the metrics defined by the state. That hurts community colleges in regards to funding because those types of students aren't accounted for in benchmarks, and thus are not considered successful. There are kids who eagerly start college, but then have to drop out due to economic reasons, and this condition needs to be broken down to understand the varying needs of community college students. The non-traditional category needs to be studied to better understand and define the different student situations and conditions that it may include, so that metrics can be developed to better reflect those varying student situations. Graduation rates for community colleges are "pitiful" because students do not see the point in earning their associate's degree when they are transferring to a four-year university for a bachelor's degree. Dr. Matthews said that if you looked at four-year universities and community colleges, the largest group would be non-traditional students, and so if that is the biggest body that Texas needs to educate, the Council must focus in on that category and break it down in a way that policy makers can understand. Dr. Gardner said that the Council needs to have much more discussion about non-traditional students.

Dr. Gardner said that one of the areas that is suffering the most is the awarding of degrees in STEM fields (Science, Technology, Engineering, and Math), and the number of students seeking teacher certification. Part of the lack of success in STEM field degrees may be due to reports of downsizing of the technology industry. Undergraduates are the primary business of higher education, which is sometimes forgotten with all of the talk about master's and doctoral programs. 78% of all students in Texas are undergraduates, of which 44% are freshmen, which says that Texas is not getting enough students beyond the freshman year of college.

2:25 p.m. Beyond CTG (FSG Report Highlights)

- Raymund A. Paredes, Commissioner of Higher Education

Commissioner Paredes said that in thinking beyond CTG, the CB has been influenced by several different factors. Mr. Hunt's committee had a significant influence on the thinking of what should be used as metrics beyond CTG. The CB has also looked at data from educational foundations, such as Lumina and the Bill and Melinda Gates Foundations. The CB has also been influenced by the goals coming from the Obama administration in regards to United States and international competitiveness, as well as studies from universities such as the one from Georgetown University which found that over 60% of the future jobs that will be in high demand in the US will require some form of post-secondary credential.

The CB has been working on developing some preliminary metrics and goals beyond CTG, and hired FSG – Social Impact Consultants, based in California, who came up with some of the ideas that are incorporated into this presentation. The CTG plan focused on four main goals, but FSG recommends that the long-range plan for 2030 be reduced to two main goals – student success and higher education excellence. The educational excellence goal came about primarily because of what FSG heard from Texas, other states, and stakeholders, which was that the most difficult goal to define was excellence. Commissioner Paredes showed a chart of educational attainment for different age groups across the highest achieving countries. What stands out is that the highest achieving countries (Korea, Canada, and Japan) have more educational attainment in the youngest workforce age group than the older ones. However, in the US, there are more 35-44 year olds with a higher education credential than 25-34 year olds. So the younger workforce generation is not as educated as the older-aged group, which does not bode well for the future of the US or Texas. And as Mr. Hunt pointed out, at the rate Texas is going, educational attainment will more closely resemble Mexico, rather than the highest-achieving countries.

Dr. Matthews asked whether the other countries have the diverse population makeup that the US does. Mr. Hunt said that he didn't think so, but pointed out that in Texas, every ethnic group could perform above the national average, but when the groups are rolled together, Texas can still underperform as a whole when compared with other states, which is pretty much the current situation. Even though Texas may perform well within most ethnic groups — whites, African Americans, and Asians are performing above the national average — when they are combined, Texas still falls about 10 points behind the other large states (31-41%), because of the heavily weighted Hispanic population, which is performing below national averages. It is a race between demographic changes and CTG, a race which Texas has been losing for 30 years.

Commissioner Paredes agreed that Texas has been losing the race, but noted that things are starting to turn around for the better. He referenced a slide from Dr. Gardner's presentation on the rate of Hispanic completion, which he pointed out is better than the rate of Hispanic participation — a very significant data point. Hispanic successes in the last ten years have increased over 100%, doubling the rate of Hispanic completions. He believes that Texas will accelerate that progress, and thinks that it has been underestimated how much the Hispanic population has come to resemble traditional immigrant groups in the US. The data is beginning to show that Hispanics are intermarrying at the same rates as previous immigrant groups and that educational attainment is increasing among the Hispanic population. He believes that those numbers are going to increase dramatically and that Texas will lead the way. He contended that Texas might not get there as quickly as it wants, but he won't accept the notion that success numbers will decrease for the Hispanic population, because he believes that Texas has hit a turning point for the better. Mr. Hunt noted that Texas cannot be internationally competitive unless we close the gaps.

Dr. Gardner noted that even though Texas has had increased participation, it has also seen an increase in success rates, which has not necessarily been the case in other states. Commissioner Paredes also noted that the vast majority of the Hispanic population increase has been in native-born Texans, not immigrants — immigration from Mexico and other parts of Latin America has actually declined in the last decade, due to the economy and tightening of the border. As immigration declines, he believes that the native Hispanic population will more closely resemble

traditional immigrant groups and that Texas will start to see a surge in educational attainment for that demographic.

Mr. Jiles added that he had the chance to hear Chancellor Francisco Cigarroa (The University of Texas System) speak at Rice University the previous night, and that Dr. Cigarroa said that 57,000 students are educated along the border by UT System institutions. What that says is that institutions of higher education in South Texas have improved to bring access, affordability, and quality of education to those students along the border, which is helping native Texans to achieve educational success. Dr. Gardner noted 15 years ago, 90% of UT-Pan Am students were freshmen, but that is no longer the case because of changes that have taken place to keep students in school, which has contributed to huge advances in success rates at that institution.

Commissioner Paredes said that Texas must close the degree gap of 4.1 million by 2030 by using a couple of different approaches. First, more students must go to college and graduate in the traditional cohorts (18-25 year olds). Second, Texas is a tremendous importer of college-educated talent, but it is somewhere between 45 to 49 out of 50 in producing college graduates relative to the population, and is 39 out of 50 in the percentage of adults over 25 who hold a college degree. In order to hit the degree goal, Texas must bring back working adults who need to complete their degrees or need certificates or other higher education credentials to further or retool their careers. If Texas relied strictly on the 18-25 year-old population, without bringing those college-educated residents back into the system, it will be virtually impossible to reach the 4.1 million degree goal by 2030.

Commissioner Paredes said that higher education needs to be rigorous, and that recent studies have shown that higher education in Texas and the US is not as rigorous as other competing countries, partially because it is sitting on the foundation of a K-12 system that is not as strong as it should be. Consequently, there has been an erosion of the integrity of higher education credentials in the US.

Thus, Texas must make sure that higher education is rigorous and aligned with workforce needs. Institutions need to do a better job of telling students where the high-demand jobs are, which would require changes in academic advising. Under the current academic advising system, students see an advisor to tell them what they want to major in, and the advisor tells them the courses that they need to take. But the advisors don't ask the students what their job goals are, and what kind of job they hope to get with their chosen degree. College needs to be better aligned with workforce needs, such as critical thinking, communication, the ability to work in groups, and being highly motivated and having a good work ethic — those are the four qualities that most employers complain that college graduates do not have. Texas needs to be innovative, or it will not get to where it needs to be with the current system of higher education funding — multiple models of excellence in higher education are needed. Currently Texas has only one model of excellence in higher education, which is the public research university. Institutions must be able to respond to workforce needs more quickly — community colleges are better at responding than four-year institutions. Texas needs students that are better prepared to do college work, and one of the most important recommendations of the cost efficiency report is that higher education needs to work more closely with K-12 in order to better prepare students to succeed in college.

One of the biggest challenges is that better devices and metrics for measuring student learning have to be in place. How can institutions be held accountable if they don't know how to measure learning? Commissioner Paredes pointed out slide 9, which lists the five outcome metrics and the rationale for each metric. Mr. Zárate said that he liked this slide very much, because it provided the context for positive formation, and is something upon which the Council can build. Commissioner Paredes responded that in terms of the product that Mr. Zárate mentioned earlier, there are data that show students who complete an associate's degree are much more likely to complete their bachelor's degree. He said that maybe the Council should consider recommending that a student must earn their associate's degree before transferring to a four-year university,

because it would not only save the state money, but it would save students and their families money, and would probably lead to higher levels of baccalaureate success. Mr. Zárate pointed out that Florida has a similar system in place and they do that very successfully. Commissioner Paredes said that there are several states that require students who start at the two-year college level to complete an associate's degree prior to completing a bachelor's degree. Dr. Matthews pointed out that the other side of the issue is the reverse-articulation agreement. Commissioner Paredes said that is an option, but that really didn't help with the cost efficiency issue. Mr. Zárate said that another option is dual enrollment programs.

Commissioner Paredes pointed out the slide which listed the nine outcome measures developed by FSG, and said that the Council needs to look at 1) how to measure successful learning outcomes, 2) employer assessments of graduates from two- and four-year institutions, 3) the effectiveness of transfer-articulation agreements, and 4) the total cost per degree.

2:45 p.m. Summary and Discussion of Next Meeting Agenda & Format

- Fred W. Heldenfels IV, Chair of the Council

Mr. Heldenfels said that he wanted to allow time to get feedback from Council members. He asked that Council members take a look at the last few slides that the Commissioner discussed, and said that they would be the subject of the next few Council meetings. Commissioner Paredes asked that instead of simply measuring success at the end of this process, the Council needs to ensure that Texas is on track to achieve its ultimate higher education goals. The Council needs to consider what are the key metrics from year to year for community colleges and universities. Mr. Zárate concurred and said that his interest in this Council has been about setting the metrics, because setting the metrics sets the expectation level.

Mr. Zárate said one thing that has been very successful in San Antonio has been looking at contextualized learning approaches, such as teaching math in a contextualized way, which adds relevance and real-world application to student learning. San Antonio has discipline-specific academies in some of its high schools (such as IT, aerospace, nursing, etc.), and students who come out of those academies have a 99% success rate, because their whole learning experience is contextualized to their chosen field or industry. He asked Mr. Hunt if he knew if any of the high-performing nations used contextualized learning approaches. Mr. Hunt said that Germany is a leading example of the integration of education and workforce training; just looking at their chart in terms of degrees per age group, one might not think they are competitive, but looking at the amount of income per capita, Germany is right at the top — they are tying workforce needs right into the K-12 system and through higher education.

Dr. Matthews suggested that academic leaders, such as provosts, be brought into the discussion of measuring learning outcomes. He said that if those academic leaders are not included in the discussion, then it will be difficult to get buy-in. Mr. Heldenfels said that this would be the last meeting where the Council was talking amongst itself; future meetings will include academic experts and consultants. Mr. Heldenfels suggested a biography on Earl Rudder written by Thomas Hatfield.

3:00 p.m. Adjournment

Mr. Heldenfels thanked the Council members for their willingness to serve, and adjourned the meeting.