

Council for Continuous Improvement and Innovation in Texas Higher Education

Texas Higher Education Coordinating Board
1200 East Anderson, Austin, Texas
Board Room (Room 1.170)
January 25, 2012
10:00 a.m. to 2:00 p.m.

MINUTES

Council Members Present: Guy Bailey, Phil Diebel, Gerry Griffin, Harold Hahn (Vice-Chair), Fred Heldenfels IV (Chair), Brenda Hellyer, Woody Hunt, Charles R. Matthews, Elaine Mendoza, Ray Messer, Whit Riter, Beth Robertson, Pamela Willeford, and Roberto Zárate

Invited Speakers: Chancellor John Sharp (Texas A&M University System), Aims McGuinness (Senior Associate, National Center for Higher Education Management Systems)

10:00 a.m. Welcome and Meeting Overview

- Fred W. Heldenfels IV, Chair of the Council

Mr. Heldenfels called the meeting to order. He introduced the new Council members who joined since the first meeting (Elaine Mendoza and Whit Riter) as well as the members who were unable to attend the first meeting (Guy Bailey, Phil Diebel, and Ray Messer). He explained this Council has a two part mission: 1) to explore and set the measureable goals for the next long-range strategic plan for higher education in Texas, and 2) to discuss how Texas can promote cultural change on our institutional campuses for embracing continuous improvement in the effort to improve productivity and efficiency.

10:10 a.m. Identifying Cost Efficiencies and Changing Institutional Culture

- John Sharp, Chancellor Texas A&M University System
- Members of the Council

Chancellor Sharp discussed lessons learned and gave advice to the Council for implementing change in any setting. As Texas Comptroller, one of the examples he used was the implementation of the food stamp debit card system, which was a cost-saving solution for the state. He emphasized the importance of keeping the public well informed when trying to implement change in order to get buy-in and also the importance of being ready to respond to criticism and provide a swift rebuttal. Ensuring accuracy of information and data is also essential when implementing change, because bad information or data can ruin the credibility of the organization.

When trying to implement change or improve processes, it is also important to work with and not against the core mission of the organization. For instance, with the seven breakthrough solutions, the Public Policy Foundation went after the core of what universities are here for – teaching and research – when they would have been more successful had they taken a different approach, such as saying they were going to find inefficiencies where money could be saved which could be reinvested and used for research or the hiring of more faculty. He said one needs to be able to explain how the money saved will be used for the core mission of the organization.

Mr. Heldenfels asked Chancellor Sharp to discuss the changes he has implemented since becoming Chancellor of the Texas A&M System about four months prior.

Chancellor Sharp said he first consulted with the Board of Regents and met with the Vice Chancellors to review priorities and if someone was uncomfortable with making changes to save money, he shifted things around as he and the Regents saw fit. He also hired a firm which had worked with higher education previously to look at the system office and the information technology department. Once the firm had finished reviewing his office, he wanted to have them look across the A&M System to see where other improvements in efficiency could be made.

Chancellor Sharp said The University of Texas at Austin and Bill Powers just implemented change within their IT department which will save the university 15 million per year. He said President Powers brought a person in from Ohio State, and it is always best when you can bring in an expert to help.

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Mr. Diebel said the most money spent in institutions is on the faculty/research portion and asked Chancellor Sharp if he has looked at that side of the institution to see if cost-saving changes needed to be implemented.

Chancellor Sharp said, as Comptroller, the core function of the office is the auditors, and in an institution, the core function is the faculty/research side – that is the reason for existence. He emphasized that in implementing change, you don't go after the core function of the organization (be it auditing or teaching). Going after the core function can negatively affect revenues, and when implementing change, you look at everything else first and then look at the core function. By then, the people who are responsible for the core function of the organization will have already bought into the process and will be more helpful when looking at how to be more efficient themselves. McKinsey Company has a person who just did this lean process for the United Kingdom, and while at first there was much resistance, now everyone has bought in and he feels it is one of the best examples of reform in higher education.

Mr. Griffin said solutions for change (such as the seven breakthrough solutions) are not a one-size-fits-all set of answers – different universities and institutions within a system can have different core missions and functions. He asked whether Chancellor Sharp had thought about how to manage the differences between, for instance, a flagship university and a smaller university.

Chancellor Sharp said it is best to encourage the differences and not to manage them. He thinks of his institutions as unique idea shops and incubators. He said at A&M Kingsville, there are students from that region who enter college who are not college ready, but A&M Kingsville has an intensive lab for these students to get them college-ready in one semester or a semester and a half. These are smart kids who didn't get what they needed in high school. He said this is something which should be replicated across the country. That's why differences must be encouraged, because there are professors and administrators who come up with excellent ideas at the smaller system institutions. Every time he visits a different institution within his system, he is amazed by the innovative ideas of his faculty/staff which are being realized.

Mr. Messer asked Chancellor Sharp what systems are in place to replicate good ideas and solutions in other institutions in the system.

Chancellor Sharp said some of these ideas, such as the development learning lab at A&M Kingsville, are relatively new, and he found out about the lab after Regent Mendoza visited the campus and let him know about it. He said the vice chancellors and he meet on a regular basis to discuss the ideas and solutions which are being implemented at different campuses system wide.

Dr. Gardner followed up on Mr. Messer's question and said as Comptroller, Chancellor Sharp sent representatives to various agencies to identify ideas, which were then reported back and compiled into a document which identified best practices, and prompted the Comptroller's office to work with the legislature to get those changes implemented. Dr. Gardner asked him if that would be a good system for the Council to use for its purposes and how they could scale it.

Chancellor Sharp said that would be a very good idea for the Council. As Comptroller, they sent auditors out to school districts – he used the example of Spring ISD and the great ideas they had implemented in their school district. After the site visits, the Comptroller's office published the best practices at Spring ISD and other districts and sent it out to all of the superintendents, so the best practices could be replicated in other districts. He said that would be great for the Council to send representatives to institutions to identify best practices and inform other institutions/systems.

Mr. Heldenfels said the Council will be deliberating on whether there will be an ongoing role for the Council to encourage best practices and be the ongoing home for that function. After the Council establishes the next long-range plan for higher education, it would be discussed whether the Council could publicize performance reviews of institutions to identify and promote best practices.

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Chancellor Sharp said if the Coordinating Board put together a publication of best practices across the state institutions, he would hand that to his vice chancellors. He thinks it would be a great idea; he said A&M has good collaboration within their system, but not with other institutions, such as Texas Tech University.

Mr. Heldenfels clarified that he thought the discovery and reporting of best practices was a result of performance reviews.

Chancellor Sharp said after the performance reviews, Bullock passed a bill allowing them to go into the school districts, but his auditors only went to school districts where they were invited – sometimes the board or the superintendent invited them. The offshoot from that was the need to compile the unique best practices they observed into a document which would be publicized. It made the featured school districts feel good and really helped those who needed better ideas for their districts.

Mr. Messer said, in his business, he sees the “NIH Syndrome” (Not Invented Here Syndrome), and even though good ideas may come from other institutions, the preconceived notion is to reject those ideas because they were not invented there. He said that steps need to be taken to break down that wall.

Chancellor Sharp said the reason the best practices book works so well is because not many people know this book has been sent to the district, so it becomes their own idea – they make it their own. He said performance reviews are different, because people resist change and resist criticism. He said they can't fight best practices when they make so much sense.

Dr. Matthews said the problem is there are all kinds of great ideas (such as the development learning lab) at institutions across the state, but there's not enough collaboration. What he observed in his role as Chancellor of Texas State University System was resistance to collaborate. He cited the example of Dell computers, which are used at all of the Texas State System institutions. His idea was to get a better price by combining the computer orders of the institutions and to group other purchases such as books, utilities, and other resources. He believes that the legislature will listen to these ideas, because they and the institutions are trying to figure out how to deliver higher education more cost effectively. He asked Chancellor Sharp if there is a way to work together across system institutions to really figure out how to cut costs.

Chancellor Sharp said the reason that collaboration doesn't happen is because each campus has its own purchasing department and that's the way it's always been done.

Dr. Matthews said best practices are not being shared among institutions of higher education – ideas such as combining utility bills for systems and group-purchasing textbooks and computers.

Mr. Heldenfels mentioned there is a section in the Cost Efficiencies report which brings up the issue of forming cooperative purchasing pools and how that can be accomplished at university and community college systems.

Dr. Matthews said it makes no sense to have purchasing departments at each campus, when it can be done by the system administration offices. He reiterated what Chancellor Sharp said earlier, which is the importance of getting the public to buy in to change, and there needs to be someone who gets out and tells the story. As Chancellor, every time Dr. Matthews received pushback from the legislature, he blamed himself for not effectively telling the story to the public and getting their buy in first. He said the legislators truly do their best to reflect the feelings of their community, and if they are against you, it's because you haven't done your job in getting public buy in.

Chancellor Sharp agreed and said once the public buys in, then the legislature just wants to figure out how to get it done through statute.

Mr. Zarate went back to Dr. Gardner's question of how to do collaboration of best practices on a large scale. He said Alamo College District has excellent grants and programs on their campuses, but the frustration is how to bring them up to scale across the district. And then once the grant and program funding ends, they go back to business as usual – the ideas and programs are not sustainable. His concern is that if the Council does decide to do a best practices clearinghouse, they include examples of implementation on a broad scale. He said institutions

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don't share best practices because they are afraid other campuses will take their ideas and do it better. For example, the previous night he attended a presentation about a math program at the Northeast Lakeview campus, and the program was excellent, but the grant is going to end in a year and a half, so what do they do to sustain it and how do they bring it up to scale? Only once you bring it up to scale, can the costs to the system truly be determined. He asked Chancellor Sharp how the A&M System takes great ideas and brings them up to scale so the whole system buys in internally.

Chancellor Sharp said if you wait for consensus, it will never happen. He said one should not govern by consensus – there should be a participatory governance system which gives everyone an opportunity to communicate their ideas and provide feedback.

Mr. Heldenfels asked staff to share with the Council the link to the presentation which was given at the October 2009 Board meeting by the state of Iowa, who did a presentation over lean continuous improvement and best practices. He said this is an approach that could work at all levels of government. He also mentioned that the next Board meeting on the following day would feature Dr. Diane Lee of the University of Maryland-Baltimore County, who will do a presentation over best practices at her institution.

Mr. Riter said he has heard many presentations over best practices and has heard some great ideas, but what is lacking is the power and authority to implement these ideas on a broad scale, and perhaps that authority wouldn't fall to the Council. He asked how the Council could put a deliverable together which addresses the power and authority to implement best practices as well as how to determine the financial impact and scalability of these best practices. He said that is a real challenge to the Council and the Coordinating Board.

Dr. Matthews believes the legislature is close to coming up with the idea of tying the funding formula to how efficiently institutions are being run. He said Chancellor Sharp has been very smart to communicate to his institutions that money saved on improving efficiencies will go back into the core mission of the institution to help make it better.

Mr. Heldenfels said reinvesting in the institution or system is an appropriate way to use money saved, but another way is to give it back in the sense of lowering tuition or at least slowing increases in tuition. He said one of the Council goals could be to not allow tuition state wide to increase more than the rate of inflation, or some other benchmark.

Commissioner Paredes mentioned that at each Coordinating Board quarterly meeting, there is a major policy discussion and recognition of excellence. The recognition of excellence can deal with academic or cost efficiency improvements – anything which makes an improvement to higher education. He cited the example of Richland College, who was recognized for their cost efficiency efforts. He said last year, the Coordinating Board published a book about best practices in higher education and that the Council members would be provided with the publication. He said what are lacking are the appropriate incentives to get institutions to adopt those practices, but it's not because they are not aware of best practices, they just don't have incentive to implement them.

Mr. Heldenfels thanked Chancellor Sharp for sharing his experience and advice.

11:10 a.m. International Competitiveness and Higher Education

- Woody L. Hunt, Chairman of the Texas Business Leadership Council, and Chairman & CEO of Hunt Companies, Inc.
- Aims C. McGuinness Jr., Senior Associate, National Center for Higher Education Management Systems (NCHEMS)
- Members of the Council

Mr. Hunt and Dr. McGuinness gave a presentation over the challenges facing Texas higher education, which is available for download at: <http://www.thecb.state.tx.us/index.cfm?objectid=1AAB9BCB-9FB3-BFC4-34BEFAE4711E8208>

Mr. Heldenfels asked Mr. Hunt and Dr. McGuinness to discuss the statewide benchmarks that Texas needs to be aiming for and to give some recommendations to the Council for embarking on the next long-range plan for Texas higher education.

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Mr. Hunt said the Council needs to look to the scholarly work being conducted at Georgetown University by Anthony Carnavale on what the jobs of the future are going to require in terms of skills and post-secondary credentials. By the end of this decade, 60% of jobs will require some form of a higher education credential. Texas will probably fall short of that goal, and the implication is the higher-paying jobs will go elsewhere if the workforce is not educated, and that Texans will be competing with Mexico for low-paying jobs.

Dr. McGuinness emphasized the importance of the 60% benchmark, and explained how in the UK, they went beyond the 60% and developed a qualifications framework to set benchmarks within the 60%. They reached national consensus with employers on a qualifications framework which includes multiple skill levels (1-5) for different levels of competence, and their goals are expressed in the proportion of the population that must have a high level of competence and skills. In the UK plan, 40% of their population needs to have competence levels 4 or above in order to achieve national goals.

Mr. Heldenfels asked for clarification on whether countries were generally counting certificates in their 60% benchmarks, whether some countries were breaking the 60% down by degree level (certificate, associates, bachelor's, and graduate), and on what age groups Texas should focus.

Dr. McGuinness said most states and countries are including certificates which require at least one year (30 hours) in the 60% benchmark, and he noted the certificates which Texas includes should be ones that are valued in the labor market. He also suggested Texas concentrate on the 25-34 or 25-44 year old age groups, because as Mr. Hunt noted, Texas is doing quite well in the older age groups (55-64) compared with the rest of the world – it is the younger population that needs to improve. He said *Closing the Gaps* should be the continuing theme of the next long-range higher education plan because narrowing the racial/ethnic gaps is critical to the future of Texas, and he cautioned that reaching the 60% goal without narrowing the gaps would be a real issue for the state.

Mr. Zárate discussed the academies that Alamo College District has in San Antonio, which are tailored for industries important to that region. Students in the program begin in high school, and by the time they graduate high school, they have completed a certificate (30 hour) and they have relevant job opportunities. He talked about the importance of contextual learning approaches and how that increases student success.

Mr. Messer mentioned that K-12 is the real foundation for the education system.

Dr. McGuinness suggested community colleges and K-12 should be linked at the hip with the goal of getting a larger share of the population within a catchment area up to a higher level of knowledge and skills. El Paso is an example of that, but the problem is how that's going to happen in the other densely-populated areas of Texas, such as the Metroplex. He said while Texas has some excellent community colleges, there are regions that are lacking in effective community college services even though they are in dire need of them.

Mr. Zárate suggested that has a lot to do with the revenue stream of the community college. Some community colleges do not have the tax base and require supplemental appropriations to continue operations. Others have to extend into other towns to widen their tax base. He emphasized that they are limited in what they can do, because of a limited local revenue stream and declining state appropriations.

Dr. Hellyer discussed how San Jacinto Community College District is taking the lead with the local ISDs with dual credit programs, early-college high schools, and the Career and College Readiness Standards (CCRS). With the CCRS, San Jacinto is pulling in faculty from key areas to determine where the gaps are in what the public secondary schools are teaching versus what is college ready. She talked about the challenge of having to juggle budgets and how they have had to, as John Sharp talked about, repurpose into those areas on which they needed to focus. She suggested going to the legislature with a funding formula for community colleges and school districts that incentivizes collaboration on a regional level to improve achievement.

Dr. McGuinness said the Coordinating Board should set the goals in terms of getting more people through with a diversity of credentials. Also, the Coordinating Board needs to provide very clear, simple signals in finance policy that institutions will be rewarded for completion, not just for enrollment.

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Mr. Hunt concurred that the incentives would need to be structured in a way which helps deal with the pipeline issues Texas is having. 13-15% of 7th graders will graduate in 150% of normal time and with tremendous ethnic and racial gaps which will need to be closed in order for Texas to be competitive.

Commissioner Paredes pointed out that, according to the 2009 Report of Higher Education Cost Efficiencies, having K-12 and higher education working more closely is the most cost efficient initiative upon which Texas can embark. He also provided a handout with an executive summary of the study conducted by McKinsey called, "[Winning by Degrees](#)." The key point this study makes is there is a built in cost inefficiency in higher education of somewhere between 15-30% and the goal of producing a million extra graduates per year in this country can be done with current resources by making higher education more efficient.

This report defines five areas where universities and community colleges around the country have already achieved very substantial efficiencies, and identifies these four areas promoting graduation: reducing unproductive credits and programs, redesigning methods for delivering instruction, running core services more efficiently, and either reducing or offering non-core services efficiently. Commissioner Paredes suggested that might be a starting point for the Council to begin looking at specific recommendations.

Commissioner Paredes talked about being a part of a strategic planning committee with the University of North Texas at Dallas and a presentation he observed by Bain and Company, a team which is doing the work for UNT Dallas pro bono. They are absolutely certain that the UNT Dallas, by undertaking some of the efficiencies which were identified by McKinsey, could produce baccalaureate degrees for \$6,000 or less. And they're talking about offering a few core baccalaureate programs in high-need fields in Dallas connecting the degree programs very closely to work skills and that every course and program would make sure the students had strong workforce skills; they're talking about encouraging students to move as quickly as possible by going to a trimester system, encouraging students to take courses year round. They're going to competency-based instruction, which means that if students can complete a course in five weeks, they'll get credit for it and move onto the next series of courses. It's something that he believes very strongly needs to be done, and he thinks these recommendations are a good launching point for the Council to start looking at specific recommendations it can offer the state which would improve productivity and also help address the issue of, "We can't do anything unless you give us more money."

Dr. McGuinness said the Coordinating Board should move towards the degree profile approach – where the combination of competence both specialized and general education which is necessary to get a credential in X, Y, and Z – and then provide incentives for multiple ways for students to be able to get to those credentials. Because it would go beyond the college and career readiness standards (CCRS) and say, for instance, in these ten priority fields in Texas, these are the ways it can be done; the institutions could deliver it in a whole variety of ways.

Mr. Heldenfels asked Mr. Hunt and Dr. McGuinness to discuss what three to five benchmarks would they recommend for Texas looking toward the year 2030, realizing also the assessment – the measurement of learning outcomes – goes hand in hand with setting targets.

Mr. Hunt said the Council should certainly look to the OECD and adopt their 60%, because they're the leading research capacity on this issue. He mentioned Dr. McGuinness said the Council can get a lot more detailed and Dr. McGuinness could elaborate on how to detail that, but he reiterated it's important for the Council to have a target, just like any company or individual goal, and the Council needs to be transparent in how they benchmark it.

On the question of which countries Texas should compare itself, Mr. Hunt suggested they probably need to take out the extraordinary examples (such as Finland), but find some look-alikes out there which Texas competes with in business – be it a state or a country – they ought to be in the same peer group, just like those ten largest states for *Closing the Gaps*, Texas needs to develop its benchmark of its peers that Texas competes with in business and say that's where capital is going to go if it doesn't come to Texas. Texas needs to be competitive with the workforce and use the best data from Georgetown and Carnavale on the relationship between jobs and higher education attainment.

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Dr. McGuinness agreed with Mr. Hunt and said it really makes sense for the Council to set a goal, such as 60%, and benchmark to countries and states which will have meaning and currency in Texas; there are some the Council might not want to pick.

Mr. Heldenfels asked Dr. McGuinness which states/countries he would recommend today for comparison to Texas.

Dr. McGuinness said Europe as a whole is a really good example of a region which has been using this approach in the Lisbon goals and targets, and he can give the Council some advice about that.

The second thing he suggested is the Council needs some way to look at the knowledge and skills of the population of Texas from a comparative point of view, and doing something like the Programme for International Student Assessment (PISA) at a state level, which is the assessment of knowledge and skills of 15-year olds, and has already been mandated or there's an authorizing statute – some assessment so Texas can assess the knowledge and skills of its population. There are efforts to link the performance of Texas on the national assessment of education progress and relate those to PISA results. But he thinks Texas ought to do the assessment here.

The third thing he suggested is for the Council to engage in international discussion about how to assess the knowledge and skills of the Texas adult population. He said Texas is trying to measure it by degrees, which is the best it can do now, but he thinks Texas could be one of the states; the US is one of the countries participating in this program for international assessment of adult competencies. The sample size is probably not large enough to disaggregate by Texas, but the state could probably pay to have the sample size increased the next time it's done, so Texas has a way of saying how it's doing and how its workforce is doing from an international comparison.

Lastly, Dr. McGuinness stressed he would really discourage the Council from getting the Coordinating Board deeply involved in assessment of student learning – that is extremely important to be done at an institutional level in Texas. He thinks where Texas could lead in that regard is with the qualifications framework on the degree profiles; and the Coordinating Board could totally rethink what it does on program review and approval, which is increasingly based on a different set of metrics. He mentioned he just read into the recommendations by FSG, and said if the Council tries to get into measures related to excellence, they're going to be wading into a swamp from which they'll never emerge. But he said the Council definitely needs to be concerned about the competence of the workforce.

Mr. Heldenfels said some of the Council members are specifically most interested in learning outcomes, and competence of the workforce is what employers are looking for in terms of learning outcomes. He asked Dr. McGuinness about statewide assessment of 15-year olds and how other countries are doing that.

Dr. McGuinness thinks the Council needs to keep their eye on the target, which is getting more people through for the population, and maybe not becoming as deeply involved in what he thinks should really be the responsibility of the systems and the institutions, which is really how to assess student learning within the institutions.

Mr. Heldenfels asked whether the OECD countries and Latin America mandate the PISA assessment for 15-year olds, how the sample population is selected, and whether it is a statistically significant random sample.

Dr. McGuinness said every OECD country and many others now participate in PISA and it's not a mandate – it's done on a sample basis of the population of 15-year olds. Technically, they pick a sample of students at high schools and secondary education (public and private). In fact, the US participates in PISA, so students from Texas are in the national sample for PISA right now. What Texas could do is to increase the sample size for the state, so the Council can compare Texas with the US and other countries. There are other ways of doing this so students are not overburdened with assessments – there are ways of linking it (for example, when students take the national assessment, which is also a sample, they can embed PISA within the same assessment) to where the

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student never knows the difference. They simply would yield the results for multiple assessments. And these are increasingly computerized and done in a different way.

Mr. Heldenfels said doing things which the student is not aware of sounds politically tricky.

Dr. McGuinness said looking at Mexico, one will not only be able to know how Mexico compares with the US, but will also be able to tell what 15-year old students know and can do in every state as compared with 15-year olds around the world.

Mr. Heldenfels asked about assessing the knowledge and skills of the adult population, and what the means and methods are for doing that.

Dr. McGuinness said they've devised a way of getting samples of adult students, because they're not only students enrolled in colleges, they're students who are out of college or who have never enrolled in college. But he reiterated that being in a conversation with OECD and getting Andreas Schleicher to talk with the Council would be a real benefit. It could be useful because he's head of the whole statistics section of OECD which does all of the comparative data, so he could give the Council a good idea about what other countries are doing and what's feasible for Texas.

Mr. Diebel said he was still trying to tie what Dr. McGuinness' comments were back to what is being done in higher education in Texas. He understands the assessment of the adult population, but the adult population may or may not be a product of the higher education system in Texas. He said the Council somehow needs to link that.

Dr. McGuinness said the Coordinating Board needs to be focused on the population, not necessarily the institutions. But the Coordinating Board needs to get the institutions to be engaged in efforts to try and improve on that way. He offered the example of Washington and Oregon. What he is finding in more states than not, given the financial pressures facing the University of Washington and the University of Oregon, one of their top revenue-generating sources is getting students from out-of-state (hopefully from the neighboring state, but increasingly from around the world), because there are decreasing incentives for those institutions to admit students from either Washington or Oregon, because they don't get as much money for them. They can get out-of-state tuition or they can get in-state tuition. So what's happening in those states is a basic choice...how do they use their state subsidy? Do they just continue to subsidize the institutions to go and serve anybody? Or do they in fact purchase back attention to those institutions to serve the states in which they're located?

He said that's increasingly going to be a problem, but it's less of an issue for community colleges. The other institutions are increasingly tuition-driven and the issue is what incentives are there to serve Texas students and to get Texas students through to a degree and to a credential which is useful and connected to the future of Texas. So the finance policy becomes one not simply of subsidizing institutions, but actually linking it to serving Texas – that's the implication. Texas can have good institutions, but whether they are connected with serving Texas will be dependent upon how the state funds them.

1:45 p.m. Summary and Discussion of Next Meeting Agenda

- Fred W. Heldenfels IV, Chair of the Council

Mr. Heldenfels asked Dr. Gardner if he had any comments about the next Council meeting on April 24, 2012.

Dr. Gardner said the Council may need to think about how to proceed given the outcome of this meeting. He had anticipated the Council would address potential targets related to the workforce. One of the proposed targets had to do with linking how well the programs in higher education are linked with industry in the state. The other two targets had to do with outcomes – one related to employment and the other one related to industry's view of the skills of graduates. He thinks that continues to follow very well from this meeting, and he anticipated the Council might want to have someone such as Anthony Carnavale, who has talked about needs in general and in critical fields in a more national scope. He does think following this meeting the Council may want to see if it can

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propose some measure internationally, directly related to this meeting and on the agenda for next time, so it doesn't lose the content.

Mr. Heldenfels said the first part of next meeting's agenda should address, and it may even involve, perhaps an email survey of the members who were present, just to see if there's some consensus developing, but to address some decisions or recommendations which came from this meeting.

Dr. Gardner said staff would construct something which would summarize key elements from the discussion with Chancellor Sharp, Woody Hunt, and Aims McGuinness in terms of those recommendations, and at least get some feedback from the Council about which ones they think are important and which ones should be followed up on as it moves forward.

Ms. Robertson said it would be worthwhile for someone from the OECD to speak to the Council. She said it seems like a whole new way to measure, and if Texas wants its workforce skills to compete, the Council needs to see what the rest of the world is doing.

Dr. McGuinness said there is a report which will be coming out in March and will talk about knowledge and skills in the US as compared with the rest of the world. It might be possible to get Andreas Schleicher to meet with the Council and discuss that directly.

Dr. Gardner said the Council may need to explore having a closer relationship with the OECD and be more involved with their activities as it goes forward. There are even some things which the Coordinating Board is doing that haven't come up yet in this context, such as what it's doing with transfers and the Tuning process, which was developed in Europe. Texas is trying to align its programs with the workforce needs of the state. The Council may want the next meeting to continue this discussion.

Commissioner Paredes had two quick thoughts:

- 1) It occurred to him when he looked at Mr. Hunt's chart about the ten highest-performing countries educationally, it made sense for *Closing the Gaps*, Texas' goal is to reach parity with the ten largest states, but why might not the goal for 2030 be to reach parity with the ten highest-performing countries? Texas is way behind; that would be a huge leap.
- 2) The question of soft skills is not enough to produce degrees and certificates – Texas needs to make sure people have the skills. The reason the state has had such trouble with learning outcomes is because it has tried to measure them quantitatively – that's where the stumbling block is. But Texas can measure them qualitatively, because there's heaps of data that show what employers want in their workers – they want good problem solvers, critical-thinking skills, communication skills, leadership skills, and the ability to work in teams. Why couldn't the Council simply work with an organization like the Texas Business Leadership Council and survey a cohort or large employers every year to find out how they feel about the training that recent Texas graduates have received and how successful they are at their entry-level jobs?

Dr. Gardner said that is one of the measures proposed by FSG, which is how do employers view their employees? Related to that, he said some of the Council members may have seen some issues related to the revisions of the core curriculum that the Board just adopted, and one of the changes to it is built in that those courses need to contain elements of critical thinking, communication skills, and the ability to work in groups – and that actually has met with some resistance, the Coordinating Board is getting a few letters from faculty that don't seem to understand and so it needs to be done in a more focused and systematic way. Mr. Messer was on the Coordinating Board committee for the technology industry but, aside from him, very few people mention the technical shortcomings but quickly mention those other skills.

Dr. McGuinness said the difficulty with a survey like that is turning it into action which actually leads to a change in behavior. One of his latest examples is in Korea, where they do a similar survey – The Federation of Korean Employers – which came about because degree production has gone up and the employers' frustration with the inadequacy of graduates has increased. The benefit of a qualifications' framework is that it's not just a survey – it's connecting it with a conversation about explicit competencies. The state needs to develop an instrument such as Programme for the International Assessment of Adult Competencies (PIAAC), which measures objectively. His experience is that those surveys are done every year but by 2020 there will be no change whatsoever – they'll

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still be frustrated, because it's not turned into action, it's not defined in a concrete way which can be translated into curriculum and practice.

Commissioner Paredes said the Coordinating Board and Council would develop those other components and he is aware of that problem.

Mr. Heldenfels said the perfect example which Dr. Gardner was alluding too...Council Member Ray Messer, who is chairman of Walter P. Moore, no longer hires bachelor's engineering graduates, master's is the entry-level for most of his new employees. What does it say about the caliber of the competencies within that particular field?

2:00 p.m. Adjournment

Mr. Heldenfels thanked the speakers and the Council and adjourned the meeting.