



# **TEXAS COLLEGE-READINESS ASSESSMENT AND PLACEMENT: IMPROVEMENTS AND RECOMMENDATIONS**

**A Report to the Texas Legislature  
House Bill 3468, 82nd Texas Legislature**

December 1, 2012

Division of P-16 Initiatives

**College for all Texans**



## **Texas Higher Education Coordinating Board**

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### **Mission of the Coordinating Board**

The Texas Higher Education Coordinating Board's mission is to work with the Legislature, Governor, governing boards, higher education institutions and other entities to help Texas meet the goals of the state's higher education plan, Closing theGaps by 2015, and thereby provide the people of Texas the widest access to higher education of the highest quality in the most efficient manner.

### **Philosophy of the Coordinating Board**

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is unacceptable. The Board will be open, ethical, responsive, and committed to public service. The Board will approach its work with a sense of purpose and responsibility to the people of Texas and is committed to the best use of public monies. The Coordinating Board will engage in actions that add value to Texas and to higher education. The agency will avoid efforts that do not add value or that are duplicated by other entities.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>4</b>
<b>Developmental Education Program Survey .....</b>	<b>6</b>
<b>Current Assessment, Placement, and Advising Practices .....</b>	<b>6</b>
<b>Assessment and Placement Practices .....</b>	<b>7</b>
<b>Advising Practices .....</b>	<b>7</b>
<b>Alignment Study: Texas Test Alignment Project .....</b>	<b>8</b>
<b>New Texas Success Initiative Assessment 2013 .....</b>	<b>8</b>
<b>Evaluation and Selection Process .....</b>	<b>10</b>
<b>Development and Implementation .....</b>	<b>10</b>
<b>Texas Success Initiative: Current Rules and Proposed Modifications .....</b>	<b>11</b>
<b>Exemptions .....</b>	<b>11</b>
<b>Differentiated Placement .....</b>	<b>12</b>
<b>Developmental Education Funding .....</b>	<b>12</b>
<b>Current and Recommended Funding Practice .....</b>	<b>12</b>
<b>Non-Course Competency-Based Options (Rider 34) .....</b>	<b>14</b>
<b>Conclusion and Recommendations .....</b>	<b>15</b>
<b>References .....</b>	<b>16</b>
<b>APPENDICES .....</b>	<b>17</b>
<b>APPENDIX A: General Appropriations Act Riders .....</b>	<b>18</b>
<b>APPENDIX B: Proposed TSI Plan for Adult Basic Education .....</b>	<b>20</b>

## Executive Summary

House Bill 3468 enacted by the 82nd Texas Legislature, Regular Session, directed the Texas Higher Education Coordinating Board (hereinafter referred to as “Coordinating Board”) to study and analyze practices regarding assessment of student academic skills and subsequent student placement in developmental education programs, as well as to recommend improvements to improve efficiency and cost-effectiveness.

The key elements of the 2012-2017 Statewide Developmental Education Plan, including its vision, goals, objectives, and recommendations, set the framework for developmental education in Texas. The vision as set forth in the 2012-2017 DE Plan calls for Texas to significantly improve, by 2017, the ultimate success of underprepared students in college by meeting their individualized needs through reliable diagnostic assessment, comprehensive support services, and non-traditional interventions including modular, Emporium-style, mainstream, non-course competency-based, and integrated models. While the Plan includes a number of goals and objectives to improve outcomes for underprepared students, three goals specifically address issues identified in this report:

- **2012-2017 DE Plan Goal 3:** Scale promising practices and/or programs that improve access, acceleration, and success of underprepared students.
- **2012-2017 DE Plan Goal 6:** Continue to improve the quality and effectiveness of developmental education programs in Texas.
- **2012-2017 DE Plan Goal 7:** Improve the assessment and placement of first-time-in-college (FTIC) students.

Furthermore, while the recommendations from the 2012-2017 DE Plan apply in some way to the elements of this report, the following will have the greatest impact on assessment, placement, advising, and funding practices serving underprepared students:

**2012-2017 DE Plan Recommendation 2:** Continue to promote and fund the professional development necessary to support quality and effectiveness in teaching and learning, advising, and support services for underprepared students, including the study of the impact of a statewide developmental educator credential.

**2012-2017 DE Plan Recommendation 3:** Provide the necessary time and opportunity for institutions to select, scale, and implement the numerous research-based recommendations and best practices to allow for meaningful and purposeful change that is lasting, sustainable, and effective.

**2012-2017 DE Plan Recommendation 4:** Support the building or strengthening of partnerships among Texas public two-year college’s developmental education programs, adult basic education programs, workforce training programs, and family and social service agencies to better support lower-skilled adults and youth transitioning to college.

The annual Developmental Education Program Survey (DEPS), designed to provide both descriptive and trend information regarding the practices and delivery of programs and services for underprepared students, was an important resource employed by the Coordinating Board in the study and analysis process for this report. Sections in the 2012 DEPS include the following, with sections A, B, C, and D having particular relevance for this report:

- A. Program Information
- B. Academic Advising and Student Support

- C. College Readiness
- D. Course Information
- E. Faculty Development
- F. English as a Second Language (ESL) and Ability to Benefit

Regarding assessment, an in-depth analysis conducted by the Educational Policy Improvement Center (Conley & Seburn, 2010), determined that the instruments currently in use were found to be not well aligned with the Texas College and Career Readiness Standards (TCCRS), resulting in a call for the development of a new assessment. The new Texas Success Initiative (TSI) Assessment is under development and addresses alignment, cost, and standardization issues; the implementation date is set for fall 2013.

While institutions with developmental education programs are employing practices that address the needs of underprepared students, only 30 percent of institutions reported using any assessments as a diagnostic tool for underprepared students. Studies of the effectiveness of using a cut-score alone in placing underprepared confirm that the predictability and accuracy are not optimal and can be strengthened by the use of multiple factors including diagnostic information that helps determine specific areas of strengths and weaknesses in the subject area. The new TSI Assessment will provide both a standard cut-score and diagnostic profile immediately upon completion of the test. The availability of diagnostic information, especially at the point when placement decisions are made, bolsters the decision-making process in selecting the best option for addressing the needs of students individually.

Regarding the nonapplicability [exemption] categories for the TSI assessment, most are based on results of nationally normed and validated tests and should therefore be retained at this time, with additional review upon completion of the standard setting process expected in spring 2013 as part of the new TSI Assessment.

A recent Coordinating Board preliminary analysis of students who were granted the military exemption concluded that those students were generally as successful as the college-ready population in passing the credit-bearing course(s) in their initial semester of enrollment. Based on this finding, the military exemption should be retained. Further review and additional analysis will be conducted upon implementation of the new TSI Assessment in fall 2013.

The earned-degree exemption is based on nationally accepted standards of practice that assume prior successful completion of academic coursework is adequate proof that the student is indeed college-ready. Also, exemptions based on Level 1 Certifications, which are credentials resulting from programs that include 42 or fewer credits, are based on the same principle.

Finally, outcomes-based funding remains a critical strategy not only for holding institutions accountable and aligning state and institutional priorities, but also for creating the incentives that enable all other reform efforts to work. While outcomes-based funding itself is not a singular solution for improving college retention and completion rates, Complete College America<sup>1</sup> concluded that it must be in place to make other reforms and practices effective.

Furthermore, according to research by the Coordinating Board's Texas Higher Education Policy Institute (2009), "...systemic and sustained implementation requires reliable and estimable

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<sup>1</sup> Complete College America is a national nonprofit that works with states to significantly increase the number of Americans with quality career certificates or college degrees and to close attainment gaps for traditionally underrepresented populations.

funding over time as well as funding based upon student attainment of college-readiness, regardless of approach.”

The Coordinating Board worked with its Community and Technical College Formula Advisory Committee and General Academic Formula Advisory Committee to determine the best method of funding developmental education. The community and technical colleges modified their reporting to collect cost data on developmental education math and English separately, allowing for a separate formula amount for developmental education. The general academic institutions already collect the data on developmental education for their cost study separately and made the recommendation to continue that practice.

Also, in a recent analysis of cost efficiencies, the Board’s Texas Higher Education Policy Institute recommended that the state should provide funds to institutions based upon increases in student academic achievement or in a manner to accommodate flexible entry and exit.

In sum, this report makes the following recommendations to continue practices with demonstrated and promising success and to provide additional guidance toward meeting the needs of underprepared students:

**Recommendation 1:** Continue to support funding of non-course competency-based options that promote success through individualized instruction resulting in improved efficient and cost-effective implementation of developmental education coursework and interventions for underprepared students;

**Recommendation 2:** Approve the performance-based funding model to align stated goals of *Closing the Gaps by 2015* and the 2012-2017 DE Plan with expectations of increased successful outcomes in developmental education and credit-bearing courses leading to certificates, degrees, and transfers;

**Recommendation 3:** Retain all of the non-applicability student exemption categories addressing prior academic coursework, military service, and non-degree seeking students [Section 51.3062, Subsection (r)] based on current data and accepted national standards of practice

**Recommendation 4:** Continue full support of the development and implementation of the new Texas Success Initiative Assessment, which is designed to improve placement decisions through diagnostic information of students’ strengths and needs.

**Recommendation 5:** Approve and support the 2012-2017 DE Plan and provide the necessary resources to fully address the stated vision, goals, objectives, and recommendations.

## Background

The primary Texas statute addressing developmental education is Texas Education Code §51.3062, Texas Success Initiative.). The Texas Success Initiative (TSI) requires all new incoming students enrolling at Texas public institutions of higher education to be assessed academically to determine their level of college-readiness while allowing for certain exemptions that consider prior academic experience and military services. Institutions are required to develop an academic success plan for students determined not to be college-ready, and the plan may require developmental education and non-developmental interventions. The TSI goal is to ensure that underprepared students learn the academic skills they need to give them the best opportunities for success in transferring to other institutions or obtaining certificates or degrees.

But as noted in the Coordinating Board's Preliminary Report to the Joint Oversight Committee on Higher Education Governance, Excellence, and Transparency (2011):

"One of the greatest challenges facing students who need remedial [developmental] coursework is the inconsistency in placement policy and articulation of courses between colleges. Students may be placed into one level of remediation at one community college, only to transfer and find that they must take additional courses. Moreover, colleges may have drastically different policies in place regarding what defines "college readiness," leaving students to navigate a maze of different policies and requirements. Improving the effectiveness of remedial education requires a consistent, standard placement policy and alignment of college readiness requirements across all public institutions in the state."

As a result of these types of concerns, the Texas Legislature continues to focus on developmental education improvements and reforms (see Appendix A). House Bill 3468, enacted by the 82nd Texas Legislature directed the Coordinating Board to study and analyze:

- (1) the diagnostic reliability, cost-effectiveness, and other aspects of the assessment instruments currently used or could be used by institutions to comply with the Texas Success Initiative statute;
- (2) differentiated placements for developmental coursework based on a student's demonstrated proficiencies or deficiencies in readiness to perform college coursework;
- (3) whether the state funding formulas, as applied to developmental coursework, ensure efficient and cost-effective implementation of successful developmental education; and
- (4) whether any of the non-applicability [exemption] categories under Subsection (r) should be retained.

To address this directive, this report analyzes the current practices of assessment, placement, advising, and funding, and provides recommendations for improvements in those key components for a comprehensive program to improve persistence and success of underprepared students.

Furthermore, in conjunction with the analyses and recommendations of this report, the 2012-2017 Statewide Developmental Education Plan (hereinafter called “2012-2017 DE Plan”) required under Senate Bill 162 (82nd Legislature, Regular Session) provides the overall framework for addressing developmental education. SB 162 directed the Coordinating Board to develop a statewide developmental education plan that provides the vision and strategies for needed improvements.

The vision as set forth in the 2012-2017 DE Plan call for Texas to significantly improve, by 2017, the ultimate success of underprepared students in college by meeting their individualized needs through reliable diagnostic assessment, comprehensive support services, and non-traditional interventions including modular, Emporium-style, mainstream, non-course competency-based, and integrated models. While the plan includes a number of goals and objectives to improve outcomes for underprepared students, three goals specifically address issues identified in this report:

- **2012-2017 DE Plan Goal 3:** Scale promising practices and/or programs that improve access, acceleration, and success of underprepared students.
- **2012-2017 DE Plan Goal 6:** Continue to improve the quality and effectiveness of developmental education programs in Texas.
- **2012-2017 DE Plan Goal 7:** Improve the assessment and placement of first-time-in-college (FTIC) students.

Furthermore, while the other recommendations from the 2012-2017 DE Plan apply in some way to the elements of this report, several will have the greatest impact on assessment, placement, advising, and funding practices serving underprepared students:

**2012-2017 DE Plan Recommendation 2:** Continue to promote and fund the professional development necessary to support quality and effectiveness in teaching and learning, advising, and support services for underprepared students, including the study of the impact of a statewide developmental educator credential.

**2012-2017 DE Plan Recommendation 3:** Provide the necessary time and opportunity for institutions to select, scale, and implement the numerous research-based recommendations and best practices to allow for meaningful and purposeful change that is lasting, sustainable, and effective.

**2012-2017 DE Plan Recommendation 4:** Support the building or strengthening of partnerships among Texas public two-year college’s developmental education programs, adult basic education programs, workforce training programs, and family and social service agencies to better support lower-skilled adults and youth transitioning to college.

## Developmental Education Program Survey

The annual Developmental Education Program Survey (DEPS), designed to provide both descriptive and trend information regarding the practices and delivery of programs and services for underprepared students, was an important resource employed by the Coordinating Board in the study and analysis process for this report.

Institutions Responding to 2012 DEPS		
Institution Type	Number	Percent
CTC	67	69.1%
Univ	30	30.9%
<b>Total</b>	<b>97</b>	<b>100.0%</b>

While the survey responses by institutions are self-reported, participation is required and responses are certified, with many able to be cross-referenced with Coordinating Board Management (CBM) data. The information reported is an effective tool in helping inform the state of developmental education practices in Texas, as well as future policy considerations.

Sections in the 2012 DEPS include the following, with sections A, B, C, and D having particular relevance for this report:

- G. Program Information
- H. Academic Advising and Student Support
- I. College Readiness
- J. Course Information
- K. Faculty Development
- L. English as a Second Language (ESL) and Ability to Benefit

Future iterations will include questions related to the fiscal and instructional impact of non-traditional interventions on student outcomes, as well as changes in assessment, placement, and advising processes.

## Current Assessment, Placement, and Advising Practices

Without reliable and valid measures for student academic preparedness and growth, any educational effort is severely handicapped. The Coordinating Board's Higher Education Policy Institute recommended in 2009 that the state develop one assessment instrument with a reporting capability that provides immediate feedback to practitioners, noting the following:

"It is critical that the assessment give accurate profiles of student strengths and weaknesses across all content areas for proper placement purposes. The assessment must also possess the capability to accurately reflect growth. Although important for all approaches to developmental education, flexible entry/exit programs in particular require a quality assessment to measure impact. The literature clearly links the quality of the assessment system to student behavior and success."

Through an analysis of applicable research, the Higher Education Policy Institute noted that a poorly designed assessment regime

- may increase the likelihood that students will self-select themselves out of the enrollment process altogether because of added confusion resulting from multiple assessments at different times for different purposes
- negatively affects a student's persistence attitudes
- negatively influences future student persistence

### Assessment and Placement Practices

DEPS results describe assessment practices used by Texas public institutions of higher education that offer developmental education programs. Of the 97 institutions responding:

- 80 percent use the ACCUPLACER followed closely by 78 percent using the Texas Higher Education Assessment (THEA). An institution may administer any number of the Coordinating Board-approved assessment instruments.
- 60 percent of ACCUPLACER and 62 percent of THEA minimum passing scores for math were more stringent than Coordinating Board minimum standards; less than 1 percent of reading and writing minimum passing scores were more stringent.
- 92 percent require students to take the assessment for TSI purposes prior to course enrollment.
- 30 percent use an assessment for diagnostic purposes.
- 79 percent do not require retesting on the original assessment after successful completion of developmental education coursework.

Institutions with developmental education programs are employing practices that address the needs of underprepared students, but only 30 percent of institutions reported using any assessments as a diagnostic tool for underprepared students. Studies of the effectiveness of using a cut-score alone in placing underprepared confirm that the predictability and accuracy are not optimal and can be strengthened by the use of multiple factors including diagnostic information that helps determine specific areas of strengths and weaknesses in the subject area. The availability of diagnostic information, especially at the point when placement decisions are made, bolsters the decision-making process in selecting the best option for addressing the needs of students individually.

### Advising Practices

While it may be difficult to make clear distinctions between placement and advising practices, both are necessary when addressing incoming students to determine their level of college-readiness and appropriate course selections. Of the DEPS respondents:

- 97 percent require academic advising
  - 65 percent require advising at least once a semester
  - 28 percent offer online advising services
- 65 percent of advisors receive specialized training
- 80 percent employ an early-warning system
- 80 percent systematically monitor academic performance
- 75 percent require individual education plans.

Institutions can be commended for the variety of services offered to support their students'

<b>Services Available for Students</b>	
Student Service	Institutions Providing Service
Financial aid	100%
Academic advising	99%
Freshman orientation	95%
Tutoring	95%
Computer/technical	92%
Veterans Affairs	91%
Job/career	90%
Mental health	68%
Child care	47%

*Data as reported on 2012 DEPS.*

persistence and success. Furthermore, the TSI statute (Section 51.3062.h) requires that institutions develop a plan for academic success for all students not college ready. However, the quality of advising can be improved by requiring that all advisors working with developmental education students receive specialized training and professional development opportunities that focus on the needs of this population of students. Ensuring consistent inclusion of key defined elements within the advising process and the plan for academic success further improves advising quality. These elements include consideration of prior academic experiences and non-cognitive factors such as motivation and are being addressed through proposed TSI rule changes

expected to be in effect mid-fall 2012.

## **Alignment Study: Texas Test Alignment Project**

The Texas Test Alignment Project, a component of the Texas College and Career Readiness Initiative, determined the degree to which six college admissions and placement tests assess the Texas College and Career Readiness Standards (TCCRS). As required by state law, (Texas Education Code, §51.3062, Texas Success Initiative), the Coordinating Board has approved the use of various assessments by Texas public institutions of higher education to measure the readiness of students to enter into entry-level college courses. The study described the extent to which these Coordinating Board-approved college admission and placement tests assess the knowledge and skills students must possess to be college-ready in Texas.

On the whole, findings indicated that admissions and placement tests covered some, but not all, of the knowledge and skills specified in the TCCRS. To assess all of the TCCRS, additional measures must be incorporated, especially for the key cognitive strategies and foundational skills.

The Test Alignment Project also recommended a new assessment system:

"A clearer understanding of what is measured by admissions and placement tests will help Texas educators and policy makers better align high school and college curriculum and instruction and to develop a more comprehensive and appropriate assessment system. Such a system would monitor and assess specific knowledge and skills necessary for college readiness and success. The net result would be an educational system that sends clearer messages to students regarding what they need to do to be college ready and that yields more informative data about the degree to which students are ready to undertake postsecondary studies."

## **New Texas Success Initiative Assessment 2013**

Research indicates that appropriate placement in the first semester of developmental education coursework influences future student persistence (Adelman, 2006; Prince, 2005). Currently,

Texas institutions rely on four standardized assessments (ACCUPLACER, ASSET, COMPASS, and THEA) and exemption scores on three others (Texas Assessment of Knowledge and Skills, ACT, and SAT) to determine college readiness for first-time-in-college (FTIC) students. Recent studies completed at the Community College Research Center (CCRC) (Scott-Clayton, 2012) indicate that assessment scores students receive are not reliable predictors of success in the first college-level course after remediation. Additionally, the Alignment Project determined that the TCCRS were more rigorous and cognitively demanding than the four current Coordinating Board-approved TSI assessments and the ACT and SAT assessments used for exemption purposes.

Clearly, the TSI assessments currently used present challenges for institutions in placing students into college-credit or developmental education because those assessments are not as rigorous or cognitively demanding as the TCCRS, and content coverage is uneven. Uniform assessment and measure of academic performance leads to consistency in placement and ultimately improves the analysis of placement and outcomes. A single statewide assessment instrument and common diagnostic tool with results available to advisors, faculty members, and students immediately upon completion will improve both the efficiency and effectiveness of advising and placement decision-making on the individual student level. It also provides useful aggregate data to help inform statewide policies for program evaluation and improvement.

House Bill 1244, 82nd Texas Legislature (2011), amended Texas Education Code §51.3062 relating to the TSI. Revision of subsection (f) authorizes the Board to “prescribe a single standard or set of standards for each [TSI] assessment instrument to effectively measure student readiness” to perform freshman-level academic coursework, and repeals the authority for each institution of higher education to “adopt more stringent assessment standards with respect to student readiness.” These directives are expected to improve the assessment and placement process at Texas institutions of higher education.

To address many of the new requirements under TEC §51.3062, along with the challenges identified using the current assessment instruments, the Coordinating Board issued a Request for Proposals (RFP) in February 2012 to solicit proposals for a new TSI assessment instrument(s), both placement and diagnostic in nature, that would classify students as college-ready or at developmental or adult basic education levels in reading, writing, and mathematics. At a minimum, the new TSI assessment(s) must include

- Content items aligned with Critical TEKS (developed by public and higher education faculty to be used as the basis for the new STAAR End-of-Course assessments), STAAR End-of-Course assessments in English III and Algebra II, the Texas College and Career Readiness Standards, and the National Reporting System (NRS) Educational Functioning Level Descriptors (EFLD) ABE standards;
- Diagnostic profile for students not college-ready;
- Computer-adaptive testing with immediate results;
- Psychometric and technical quality;
- Accommodations for disabilities;
- Resources for faculty, staff, and students to address demonstrated deficiencies

In addition, the new assessment instrument(s) must align with costs and fees assessed by institutions. The fees charged by assessment vendors ranged from \$29 for the THEA to \$5 for the ACCUPLACER. Notably, these fees do not cover diagnostic profiles or further specific information, other than the cut-score and related information, for understanding that score; they did not cover a more-detailed diagnostic profile which specifically outlines the student's strengths and areas of weakness by learning outcome within the subject-area. Institutions also considered additional factors, such as costs related to proctoring and computer maintenance, in determining charges to students. To address these issues, the RFP also required that the costs charged by vendor(s) not exceed \$11 and cover both the cut-score and a diagnostic profile for each student deemed not college-ready. The Coordinating Board, in conjunction with the Developmental Education Advisory Committee, will conduct a cost analysis of the fees associated with placement testing during the first year of implementation of the new TSI Assessment to determine the need for a cap on fees. A recommendation is expected for the 2014-2015 academic year.

### **Evaluation and Selection Process**

The RFP evaluation process was led by psychometric, assessment, and subject-matter experts from both secondary and postsecondary fields, and included a five-stage process whereby the degree to which each respondent addressed the RFP in terms of the mandatory requirements, sample items, technical proposal, and price proposal was evaluated according to RFP criteria.

Based on evaluation results, Coordinating Board leadership determined only one respondent, The College Board, had met the requirements as described in the RFP. The College Board was the sole respondent invited to the final five-hour interview/demonstration (I/D) stage of the selection process, which occurred on March 26. I/D evaluators included all TSI Assessment Team members of the Developmental Education Advisory Committee, along with psychometric, ABE, and assessment experts. This stage resulted in a unanimous decision, with additional recommendations, to award the TSI Assessment RFP contract to The College Board. The Coordinating Board concurred with the final recommendation of the I/D evaluators and THECB Leadership, and the contract was negotiated and signed in summer 2012. The main recommendation from the evaluators included consideration that the new assessment be differentiated from ACCUPLACER, The College Board's exam currently approved and used for TSI purposes. It was determined that the platform which housed exams from this vendor was also called ACCUPLACER, but all efforts would be made to minimize any direct references.

### **Development and Implementation**

As described in the RFP, the development and implementation of the new TSI Assessment is guided by the Assessment Task Force of five psychometric and assessment experts with secondary and postsecondary experience, representing the key subject areas including Adult Basic Education. In addition, a new Senior Project Manager has been hired to oversee this process, ensuring quality, alignment, and implementation processes for improved assessment and placement of those students not deemed college-ready. The timeline for development and implementation includes the following components:

- Field testing of content items (fall 2012)
- Outreach and education (fall 2012)
- Data analyses and standard-setting (January-February 2013)

- Determination of cut-score standards (February 2013)
- Approval of standards by Coordinating Board (March, April 2013)
- Training for institutions (May-July 2013)
- New TSI Assessment implementation date (First class day, fall 2013)

Development of this new assessment instrument represents the first effort by any state to incorporate into college-readiness assessment processes those students testing into Adult Basic Education (ABE), based on National Reporting System's Educational Functional Level Descriptors. Because this represents an entirely new direction, The College Board and Coordinating Board must anticipate and plan for the results. Most current developmental education curricula do not address the needs of those lower-skilled learners. The proposed TSI Plan for ABE (see Appendix B) describes a comprehensive, three-part phase for addressing policy and placements for this population.

## Texas Success Initiative: Current Rules and Proposed Modifications

### Exemptions

In determining whether to retain the non-applicability student exemption categories as described in Section (r) of TSI Statute, §51.3062, an analysis of current exemption policies suggests that all should continue. Exemptions and waivers allowed and granted by institutions, by category under provisions of the TSI statute, based on 485,932 students enrolled in fall 2010, include the following:

- |                              |                                 |
|------------------------------|---------------------------------|
| • Test Scores (ACT/SAT/TAKS) | 95,853 (20 percent)             |
| • TSI Assessment Exam*       | 14,631 (3 percent) <i>*math</i> |
| • Military                   | 11,284 (2 percent)              |

Of all the exemptions granted, most are based on results of nationally normed and validated tests and should therefore be retained at this time, with additional review upon completion of the standard setting process expected in spring 2013 as part of the new TSI Assessment.

A recent Coordinating Board preliminary analysis of students who were granted the military exemption concluded that those students were generally as successful as the college-ready population in passing the credit-bearing course(s) in their initial semester of enrollment. Based on this finding, the military exemption should be retained. Further review and additional analysis will be conducted upon implementation of the new TSI Assessment in fall 2013.

The earned-degree exemption is based on nationally accepted standards of practice that assume prior successful completion of academic coursework is adequate proof that the student is indeed college-ready. Also, exemptions based on Level 1 Certifications, which are credentials resulting from programs that include 42 or fewer credits, are based on the same principle.

## Differentiated Placement

The 2012-2017 DE Plan notes the need for differentiated placement, defined as “advising and placement of students based on individual strengths and needs” (TSI Rules, §4.53 Definitions):

“2012-2017 DE Plan Goal 6: Continue to improve the quality and effectiveness of developmental education programs in the state of Texas.”

“Current statewide initiatives addressing program quality and effectiveness include improvements related to assessment and placement of underprepared students (see Goal 7). The coursework and/or interventions in which these students are placed offer accelerated instruction and address learning outcomes specific to their needs. For example, compressed courses enable students to complete two levels of the same subject area in one semester instead of two. Non-course competency-based options (also known as non-course-based or non-semester-length options or interventions), including those offered through modular instruction, allow students to receive additional practice and timely feedback on those outcomes that are particularly challenging. These options also enable faculty members to determine the number of contact hours needed to address students’ areas of weakness while still allowing the flexibility to modify those requirements as the learning process takes place. Integrated reading and writing learning outcomes better align with the expectations of credit-bearing courses. This integration represents a key area of instructional change receiving both statewide and national attention as a way to not only accelerate students’ progress but improve outcomes in credit-bearing coursework. Finally, research completed at the Community College Research Center (CCRC) (Scott-Clayton, 2012) suggests that mainstreaming models allowing students to simultaneously enroll in credit-bearing coursework and developmental education interventions of the same subject area are showing the most promise. These and other initiatives as described in Appendix C are integral to statewide developmental education reform efforts focusing on individualized assessment of underprepared students.”

The Coordinating Board is taking steps to meet this goal. To allow a student to complete any necessary developmental coursework in the most efficient and cost-effective manner, the Coordinating Board proposed modifications to its TSI rules so that institutions may offer various types of developmental coursework that address the individual needs of underprepared students. The proposed additions and amendments to Chapter 4, Subchapter C, Sections 4.53, 4.54, 4.55, 4.58, 4.59, and 4.60 of Board rules, concerning Texas Success Initiative (*H.B. 1244, 82nd Texas Legislature, Regular Session*), specifically refer to definitions, exemptions, pre-testing activities, the student academic success plan, and college readiness. These changes, along with the implementation of the new TSI Assessment and related improvements in placement, assessment, and advising practices as described in this report and the 2012-2017 DE Plan, are expected to measurably improve student success and completions.

## Developmental Education Funding

### Current and Recommended Funding Practice

Current developmental education funding is based on a formula approved by the Texas Legislature as part of its biennial budget process. Funding is based on the enrollment of

students on the 12th class day of each semester or term and does not consider students' academic outcomes.

The Coordinating Board's *Preliminary Report to the Joint Oversight Committee on Higher Education Governance, Excellence, and Transparency*" (House Bill 9, 82nd Legislature, Regular Session) describes a funding modification that includes developmental education outcomes. Outcomes-based funding (also referred to as performance funding) ties state appropriations to a set of defined outcomes and has been a popular, though controversial, strategy for decades. The appeal of effective outcomes-based funding policy is based on its alignment of institutional efforts with statewide higher education goals, focus on the state's commitment to producing high-quality degrees and credentials, and holding institutions of higher education accountable for their public funding.

According to the report, several states implemented outcomes-based funding in the 1980s and 1990s, but with a few exceptions, these policies were short-lived. Analysis by the Community College Research Center determined that failures stemmed primarily from flaws in design and implementation – in most cases, the policies were too weak to bring about serious change and lacked sustained political support from institutions (Dougherty, et al., 2011). The report describes four key recommendations for successful implementation, the second one including developmental education outcomes:

- Keep the outcomes-based funding formulas simple and transparent.
- Include indicators that provide incentives for progress toward and completion of degrees and certificates.
- Establish a strong commitment to outcomes-based funding among state and institutional leaders by being fair and consistent.
- Initiate outcomes-based funding as a modest but consequential portion of total appropriations (at least 10 percent), with gradual increases.

With lessons learned from prior generations of outcomes-based funding, a number of states – including Texas, with HB 9 – are reintroducing consideration of this funding policy amid severe budget constraints and renewed urgency regarding college completion.

Outcomes-based funding remains a critical strategy not only for holding institutions accountable and aligning state and institutional priorities, but also for creating the incentives that enable all other reform efforts to work. While outcomes-based funding itself is not a singular solution for improving college retention and completion rates, Complete College America<sup>2</sup> concluded that it must be in place to make other reforms and practices effective.

Furthermore, according to research by the Coordinating Board's Texas Higher Education Policy Institute (2009), "...systemic and sustained implementation requires reliable and estimable funding over time as well as funding based upon student attainment of college-readiness, regardless of approach."

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<sup>2</sup> Complete College America is a national nonprofit that works with states to significantly increase the number of Americans with quality career certificates or college degrees and to close attainment gaps for traditionally underrepresented populations.

The Coordinating Board worked with its Community and Technical College Formula Advisory Committee and General Academic Formula Advisory Committee to determine the best method of funding developmental education. The community and technical colleges modified their reporting to collect cost data on developmental education math and English separately, allowing for a separate formula amount for developmental education. The general academic institutions already collect the data on developmental education for their cost study separately and made the recommendation to continue that practice.

Also, in a recent analysis of cost efficiencies, the Board's Texas Higher Education Policy Institute recommended that the state should provide funds to institutions based upon increases in student academic achievement or in a manner to accommodate flexible entry and exit.

### **Non-Course Competency-Based Options (Rider 34)**

The 2009 report from the Board's Texas Higher Education Policy Institute notes the importance of the use of non-course competency-based options (also known as non-course-based or non-semester-length options or interventions) as part of an overall strategy to differentiate placement and instruction for underprepared students:

“Course-based developmental education is normally a semester-long course in the traditional classroom setting. The non-course based category of developmental education is multifaceted and includes a mix of human and technology-based interventions that can vary in length depending upon the needs of the student. The support mechanisms typically associated with course-based developmental education, such as quality academic advising, are widely recognized as critical to the success of non-course based strategies as well.”

The Texas Legislature's General Appropriations Act Riders 59 (81st Legislature, Regular Session) and 34 (82nd Legislature, Regular Session) promoted differentiated placement and instruction opportunities for underprepared students through non-course competency-based options by providing a vehicle for formula funding reimbursement of these options. Prior to these riders, offering such options could result in decreased enrollments in the traditional, funded courses. In addition, institutions interested in offering such options had to consider two financial issues that were involved: 1) increased funding needs for the development and delivery of quality non-course competency-based options, and 2) decreased overall funding with the loss of funded traditional enrollments.

Equally important, the Coordinating Board's report in response to Rider 34, entitled, “Non-Course Competency-Based Developmental Education: Challenges, Interventions, and Recommendations,” notes the following:

“Riders passed in the 82nd Texas Legislature indicate the future of developmental education in Texas. The instruction will be individualized to the student and require a shorter amount of time in remediation. However, the Coordinating Board must prepare institutions for this significant change in how they do business. By applying the following three strategies, the Coordinating Board can rally the support, scale the interventions, and evaluate the impact.”

The strategies referenced above address continued promotion, scaling, and evaluation of non-course competency-based options: 1) provide outreach and professional development, 2) articulate clear expectations regarding goals and timeline, and 3) evaluate the fiscal and instructional impact on student outcomes. These strategies will be vital for implementing

individualized interventions leading to student acceleration through developmental education and improved graduation rates and other measures of higher education success.

## Conclusion and Recommendations

Texas higher education institutions and the Coordinating Board are working collaboratively to improve the persistence and success of underprepared students. The 2012-2017 DE Plan includes a vision in which interventions for underprepared students are delivered via nonconventional means, such as through non-course competency-based and modular delivery modes, and take advantage of efficiencies offered by new technologies. The new TSI Assessment process and related rule modifications described in this report play a key role in determining the progress toward meeting that vision, as well as allowing for appropriate placement, individualized interventions, and potential cost savings to the student and the institution.

Five recommendations will help ensure continuation of those practices with demonstrated and promising success while providing additional guidance towards meeting the needs of underprepared students:

**Recommendation 1:** Continue to support funding of non-course competency-based options that promote success through individualized instruction resulting in improved efficient and cost-effective implementation of developmental education coursework and interventions for underprepared students;

**Recommendation 2:** Approve the performance-based funding model to align stated goals of *Closing the Gaps by 2015* and the 2012-2017 DE Plan with expectations of increased successful outcomes in developmental education and credit-bearing courses leading to certificates, degrees, and transfers;

**Recommendation 3:** Retain all of the non-applicability student exemption categories addressing prior academic coursework, military service, and non-degree seeking students [Section 51.3062, Subsection (r)] based on current data and accepted national standards of practice;

**Recommendation 4:** Continue full support of the development and implementation of the new Texas Success Initiative Assessment, which is designed to improve placement decisions through diagnostic information of students' strengths and needs;

**Recommendation 5:** Approve and support the 2012-2017 DE Plan and provide the necessary resources to fully address the stated vision, goals, objectives, and recommendations.

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DRAFT 9/17/12

## APPENDICES

**APPENDIX A:**

**General Appropriations Act Riders  
Funding Non-Course Competency-Based  
Developmental Education**

DRAFT 9/17/12

## General Appropriations Act Riders

### Funding Non-Course Competency-Based Developmental Education<sup>3</sup>

#### **General Appropriations Act, House Bill 1, 81st Texas Legislature (2009), Section 59 (page III-63)**

**Funding for Non-Semester-Length Developmental Education.** Out of funds appropriated above, the Texas Higher Education Coordinating Board shall approve non-semester-length developmental education interventions (including course-based, non-course-based, alternative-entry/exit, and other intensive developmental education activities) in the Lower Division Academic Course Guide Manual before August 31, 2009. Approved non-semester length developmental education interventions shall be eligible for formula funding beginning in fall 2010 and subject to limitations prescribed by law.

Institutions shall analyze the fiscal and instructional impacts on student outcomes for both semester-length and non-semester-length developmental education interventions. The institutions shall prepare a report to the Board no later than June 1, 2010. The Board, in conjunction with the Legislative Budget Board and institutions of higher education, shall use existing performance measures and data to assist in the evaluation of student outcomes for these interventions, including but not limited to, student success in first college-level course by subject, persistence, transfer, and degree or certificate completion.

The Board shall analyze and compare all institution reports to determine the most effective and efficient combination of developmental education interventions and make recommendations to the Legislative Budget Board and the Governor before January 1, 2011.

#### **General Appropriations Act, Senate Bill 1, 82nd Texas Legislature (2011), Section 34 (page III-52)**

**Funding for Non-Semester-Length Developmental Education.** Institutions shall analyze the fiscal and instructional impacts on student outcomes for both semester-length and non-semester length developmental education interventions (including course-based, non-course based, alternative-entry/exit, and other intensive developmental education activities). The institutions shall prepare a report to the Higher Education Coordinating Board no later than June 1, 2012. The Board, in conjunction with the Legislative Budget Board and institutions of higher education, shall use existing performance measures and data to assist in the evaluation of student outcomes for these interventions, including but not limited to, student success in first-college-level-course by subject, persistence, transfer, and degree or certificate completion.

Out of funds appropriated above, the Board shall analyze and compare all institution reports to determine the most effective and efficient combination of developmental education interventions and make recommendations to the Legislative Budget Board and the Governor before January 1, 2013.

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<sup>3</sup> Also known as non-course-based or non-semester-length options or interventions

**APPENDIX B:**

**Proposed TSI Plan for Adult Basic Education**

DRAFT 9/17/12

## Proposed TSI Plan for Adult Basic Education

### I. Pre-TSI Assessment Implementation (2012-2013)

- A. Outreach and Education
  - a. Assessment and Placement
  - b. ABE-Plus Options
    - i. Continuing Education (CE, I-Best)
    - ii. Workforce CE and Credit
    - iii. DE Courses/NCBOs
      - 1. Specialized to Workforce/CE
      - 2. Intensive/Contextualized
    - iv. Co-Enrollment Models
  - c. Transition Advisors
    - i. Career/Workforce Regional Data
    - ii. Holistic Assessment (i.e., use of cognitive and non-cognitive factors)
    - iii. Student Support Services
  - d. How to Blend and Braid Funding
  - e. How to Build Community, Organizational, and Agency Partnerships (CBOs, TWC, TxLEARNS)
  - f. Guidance for IHEs with no ABE program options
  - g. Guidance for Institutional Evaluation Plan for Assessment/Placement of AE/ABE Students
- B. Building Current Programs for Scaling
- C. Memorandum to IHEs (fall 2012)
  - a. ABE Timeline
  - b. IHE Plan addressing lower-level learners

### II. Year I TSI Assessment Implementation (2013-2014)

- A. Assessing the ABE Population (Levels/Numbers)
- B. Continuing Outreach and Education with emphasis on :
  - a. Assessment and Placement
  - b. Transition Advisors
  - c. Evaluation of Institutional Assessment and Placement Policies
- C. Building Current Programs for Scaling
- D. Reviewing TSI Policy to determine if any changes are needed (Spring/Summer 2014)

### III. Year 2 TSI Assessment Implementation (2014-2015)

- A. Placement Recommendations in effect (fall 2014)
  - a. AE Level 6 will be included in DE cut-score
  - b. AE Level 5 = DE and/or ABE-Plus Options
  - c. ABE Levels 3-4 = ABE-Plus Options
  - d. ABE Levels 1-2 = ABE Options
- B. Continue Outreach and Education