The State of Higher Education:

Closing the Gaps in a Rapidly Changing World

Commissioner Raymund Paredes

November 4, 2011

Texas Higher Education Coordinating Board

Texas has made significant progress toward the goals of *Closing the Gaps*, particularly in the areas of **Participation**, **Success**, and **Research** and **Excellence**

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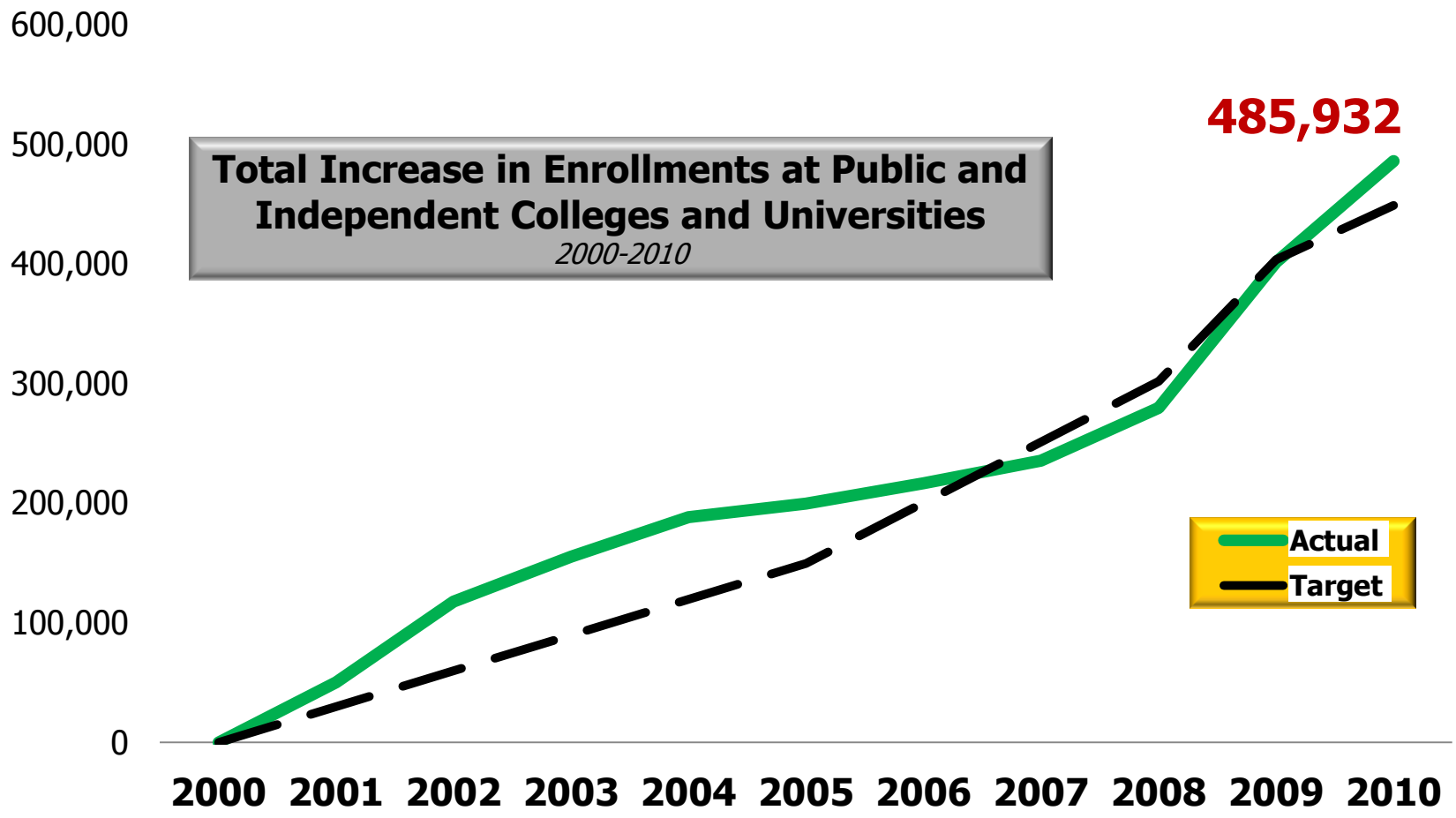
Texas is on track for meeting 2015 goal of adding 630,000 new students



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Hispanic enrollment has improved, but not fast enough

2010 Actual	% Increase over 2000
445,183	88%

2010 Target	2015 Goal
474,000	676,100

Hispanics accounted for **65%** of the state's population growth since 2000.

African American enrollments are exceeding goals, but males lag

2010 Actual	% Increase over 2000
193,734	79%

2010 Target	2015 Goal
158,300	172,700

% of African American Population Enrolled in Higher Education

- **Females**: **8.1%**
- **Males:** **5.0%**
- **Goal:** **5.7%**

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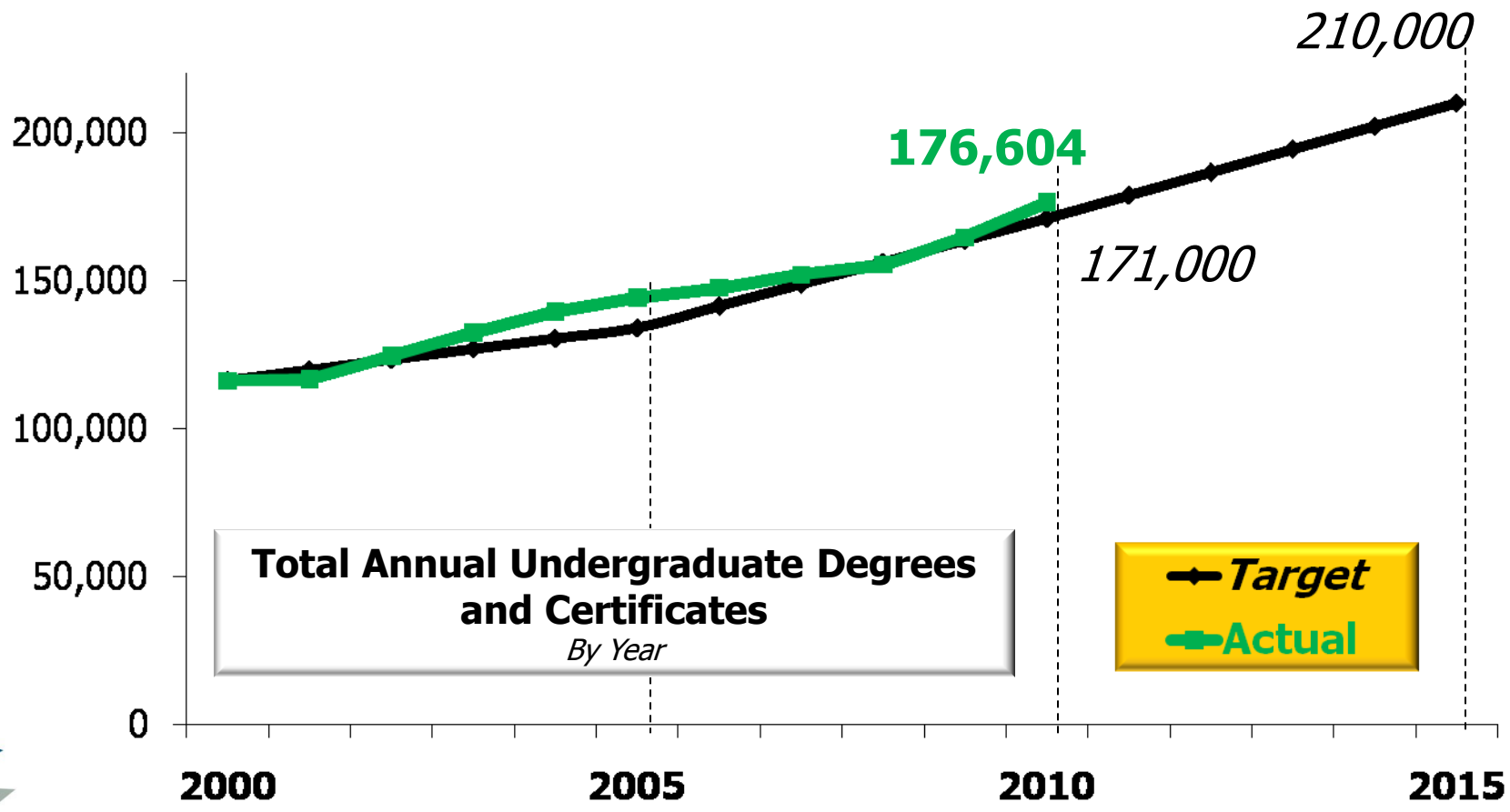
Texas is on track for meeting 2015 goal of awarding 210,000 undergraduate credentials each year



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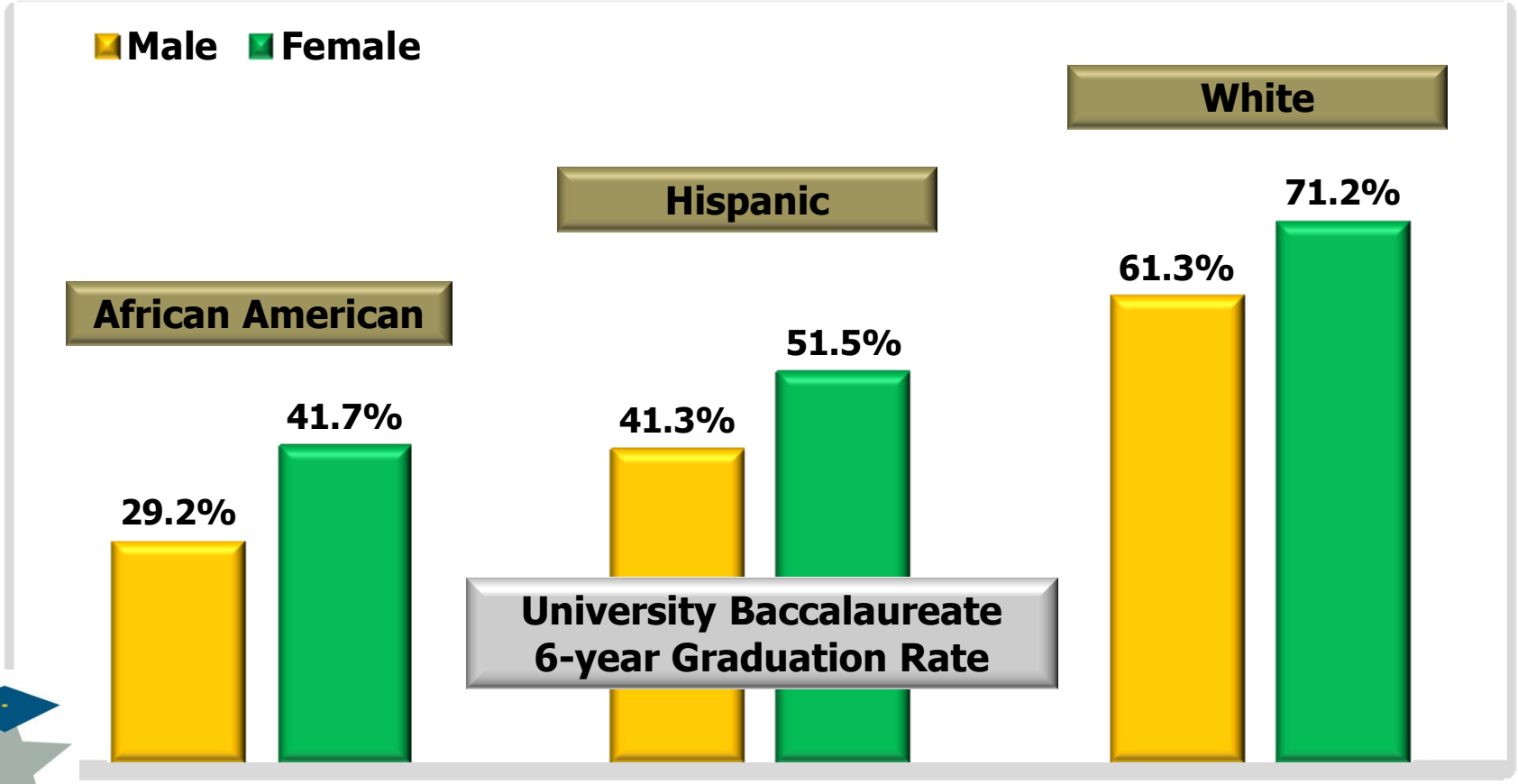
Graduation rates for Hispanics and African Americans lag behind White peers, especially among Men



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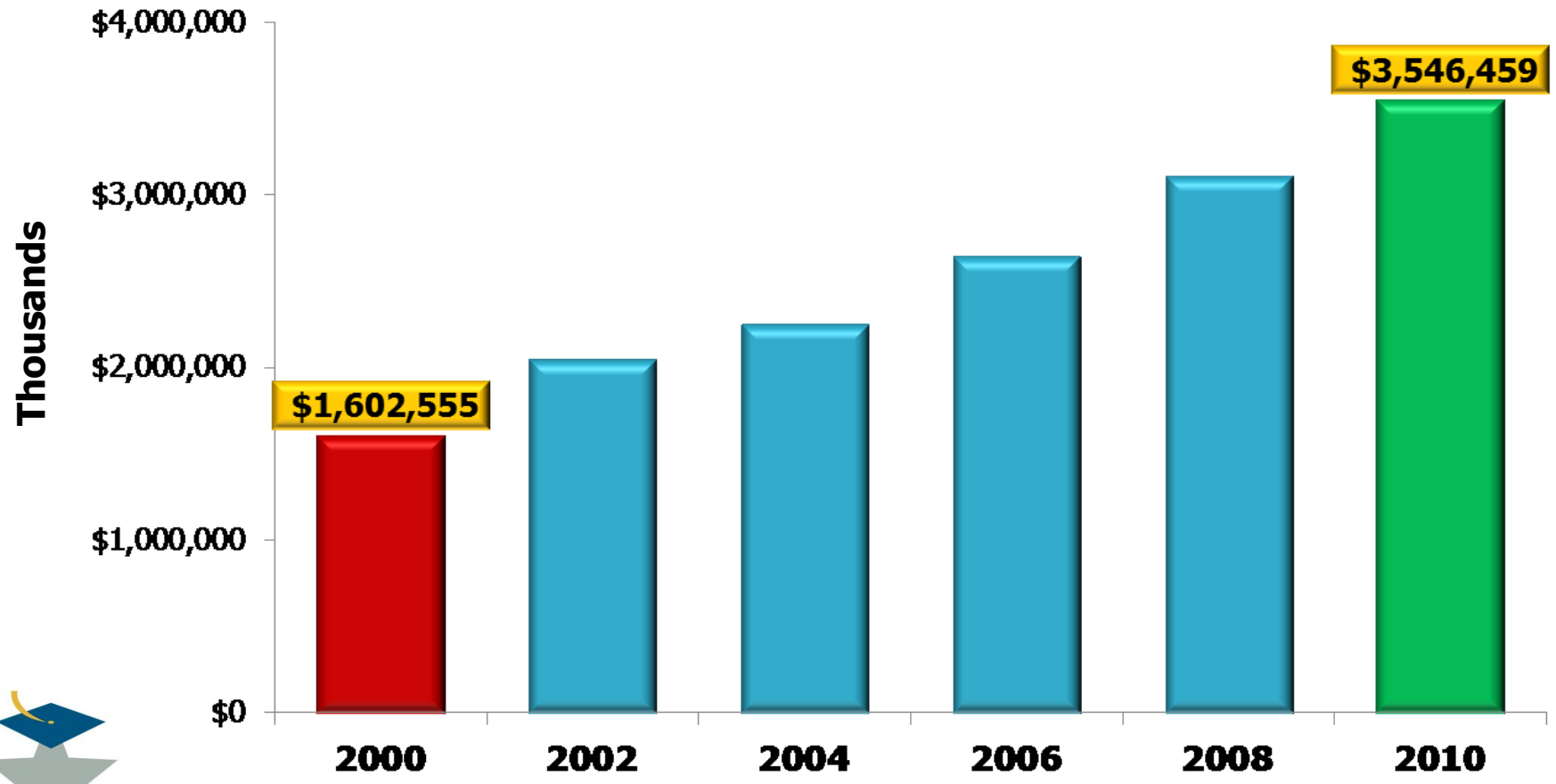
Research Expenditures for R&D continue to climb



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Texas has made progress on academic excellence, but challenges remain

- National Research Council review of doctoral programs indicates significant improvement
  - Texas A&M University
  - UT Austin
  - University of Houston
  - UT Dallas

- TRIP Funding and NRUF will improve the seven emerging research universities

- Texas State University System campuses have improved graduation rates and undergraduate retention

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Closing the Gaps was designed to create parity between Texas and the Nation. Now the focus must transition to making Texas a **global competitor**.

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2030 Leadership Vision for Texas

Texas is a global leader in higher education in which students, the State, the community, institutions of higher education and the P12 system have a shared responsibility for student success. Students complete their programs of study well prepared to succeed in the workplace, serve their communities, and improve their quality of life. Institutions of higher education and the graduates they produce are key contributors to creating an innovative and globally competitive economy in Texas.

Higher Education Excellence

In 2030, Texas post-secondary education is:

- **Rigorous:** Provides high-quality and relevant courses and programs
- **Aligned:** Comprehensively linked at all transition points between education systems and comprised of institutions that meet the needs of Texas students, communities, and employers
- **Innovative:** Is a global leader in research and in creating and implementing best practices in higher education
- **Cost-Effective:** Delivers quality education cost-effectively for the state and affordably for students
- **Nimble**: Is able to respond quickly to changing student, state, and regional needs

Student Success

In 2030, Texas students:

- **See Value:** Students understand the value of higher education for their career path and personal lives and are inspired to pursue and succeed in higher education
- **Can Participate:** Students have the opportunity to pursue and succeed in higher education
- **Are Prepared:** Students are academically ready for higher education and have the personal skills they need to succeed
- **Persist to Completion:** Students have the motivation and receive the needed support and resources to advance year-to-year to finish their programs of study

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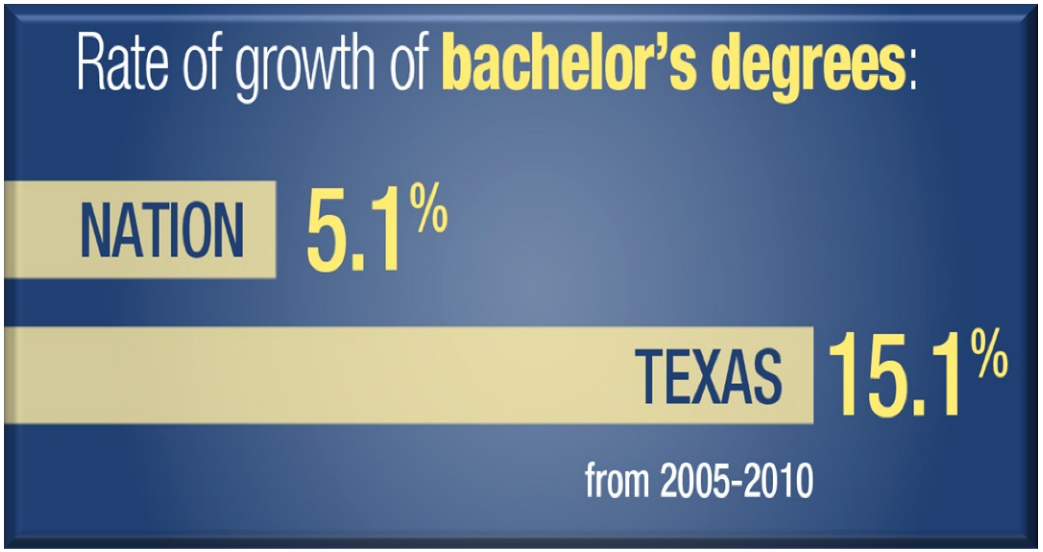
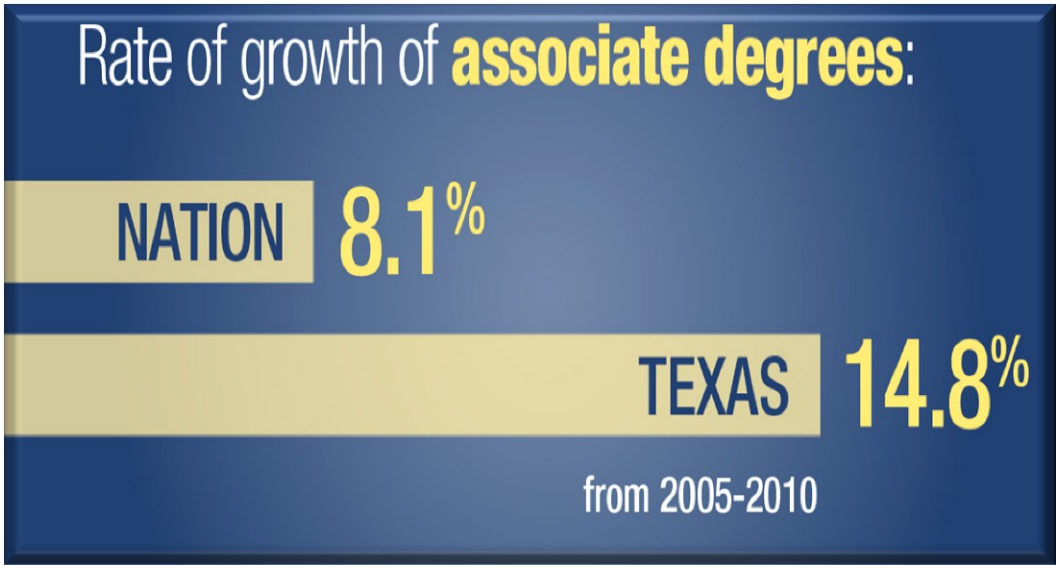


Texas is outpacing nation in rate of growth for undergraduate degrees.



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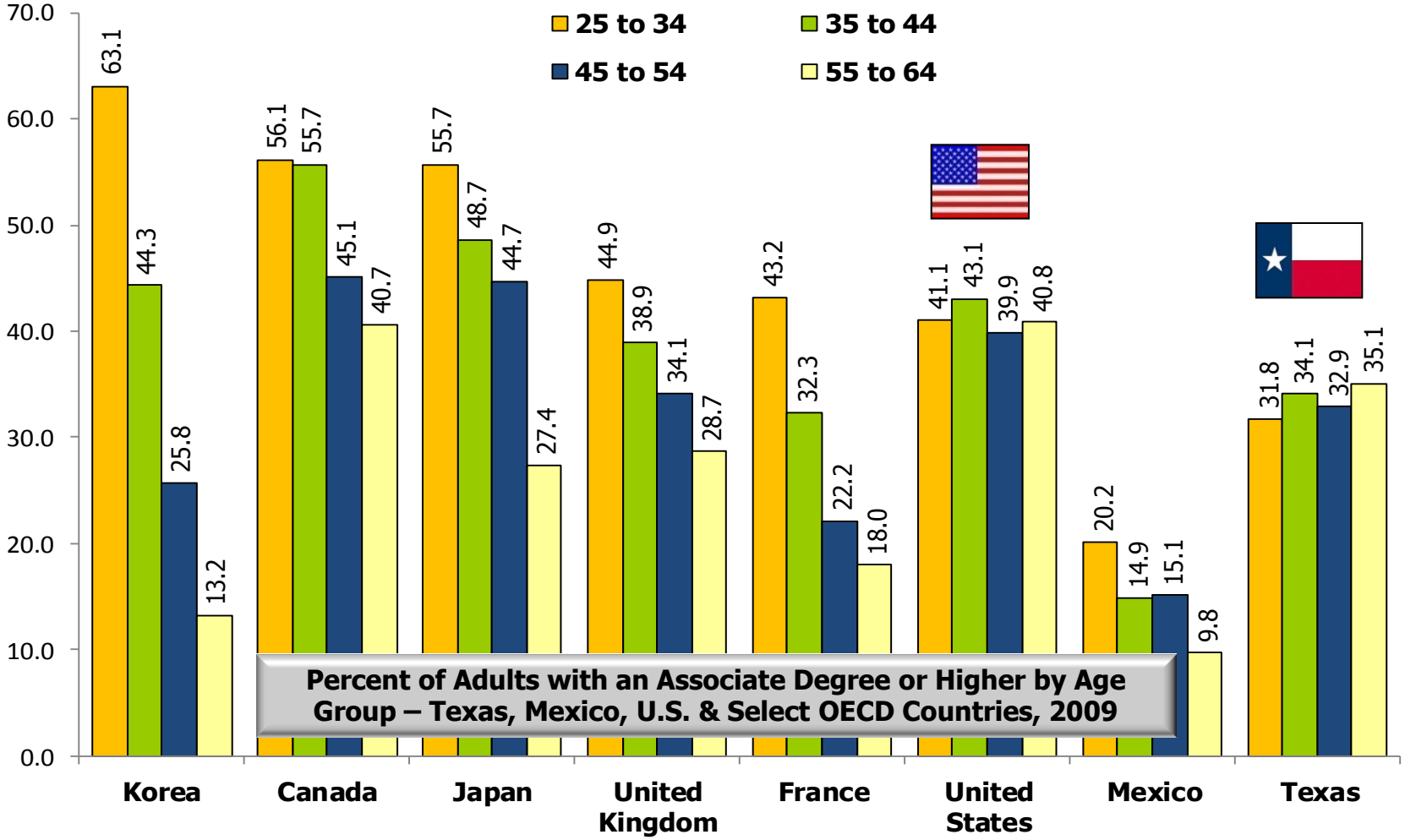
Source: NCES

Texas lags behind nation and key global competitors in educational attainment



Percent of Adults with an Associate Degree or Higher by Age Group – Texas, Mexico, U.S. & Select OECD Countries, 2009

Source: OECD, Education at a Glance 2011

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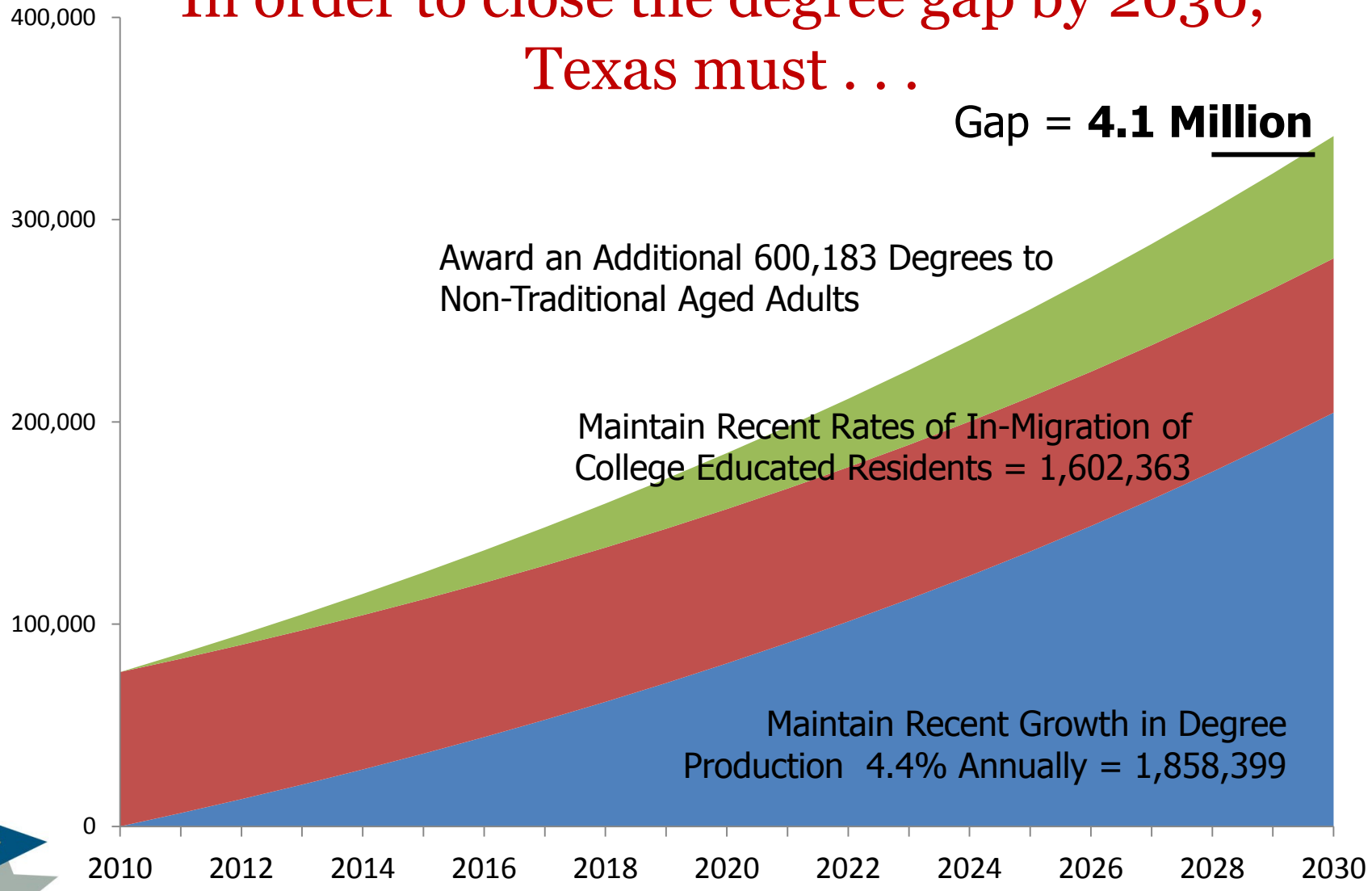
In order to close the degree gap by 2030, Texas must . . .



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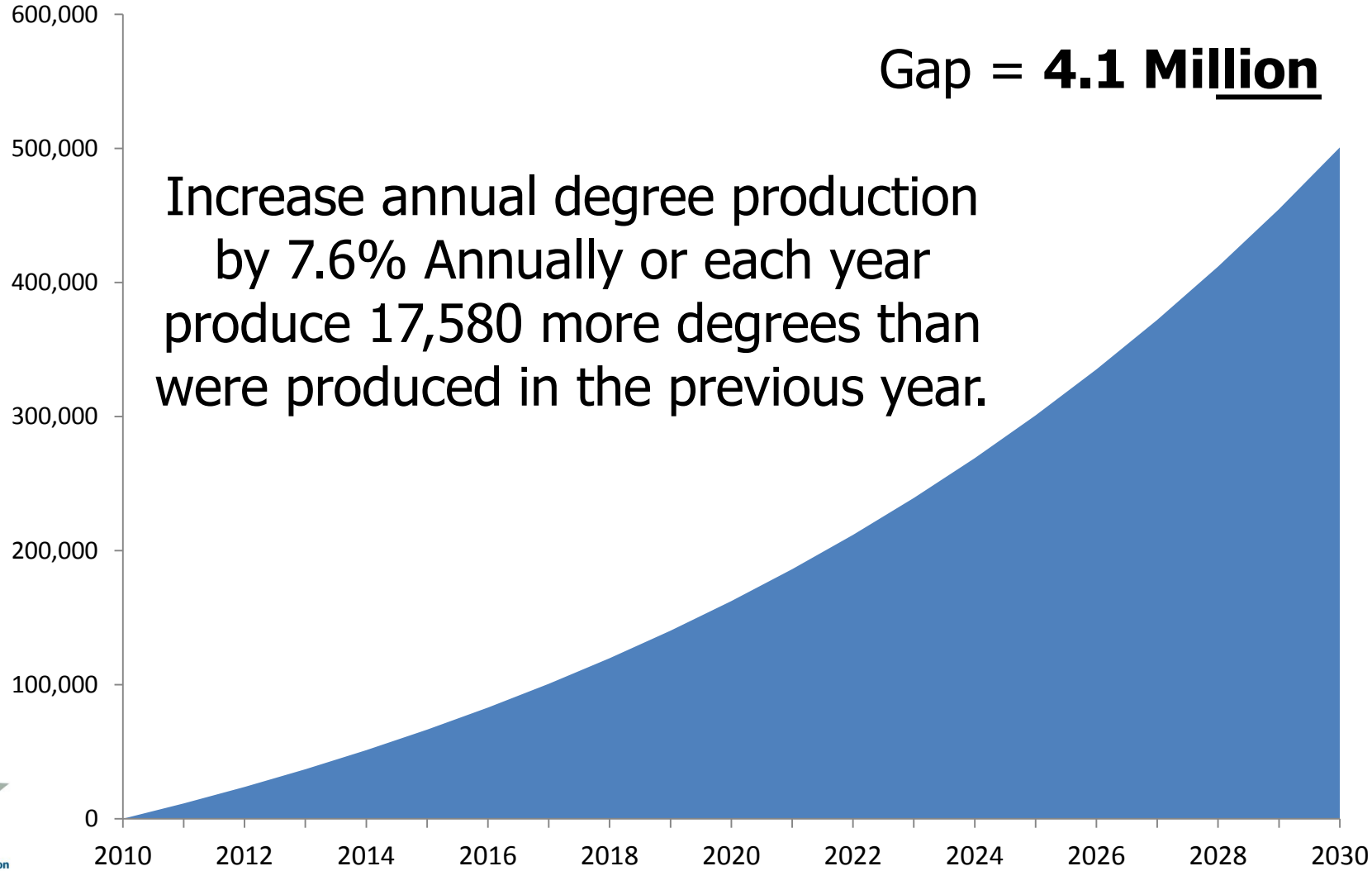
Source: Texas Business Leadership Council

Without the ability to import college-educated residents, Texas would need to . . .



Gap = **4.1 Million**

Increase annual degree production by 7.6% Annually or each year produce 17,580 more degrees than were produced in the previous year.

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During this interim before the 83rd Legislative Session, we must explore together new strategies and initiatives to improve productivity, efficiency, and establish a policy framework for becoming a national leader and **global competitor.**

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Reinventing Higher Education

- Institutionalize a LEAN culture and Continuous Improvement
- Implement a Statewide Comprehensive 2+2 System
- Restructure Student Financial Aid
- Reinvent Developmental Education
- Strengthen Two-Year Colleges
- Implement Outcomes-based Funding
- Review Admissions Standards
- Redefine Excellence

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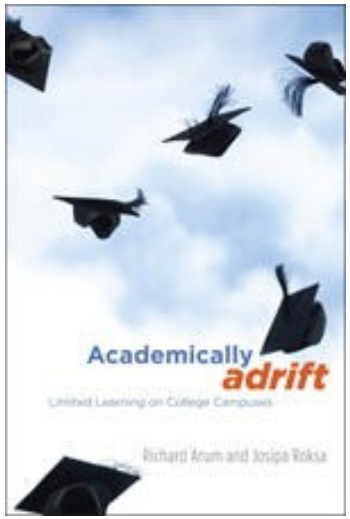
The State of Higher Education Address



- **45 percent** of students "did not demonstrate any significant improvement in learning" during the first two years of college.
- **36 percent** of students "did not demonstrate any significant improvement in learning" over four years of college.

--Richard Arum and Josipa Roksa
Academically Adrift, 2010

Derek Bok, ***Our Underachieving Colleges***, 2007

"Professor X", ***In the Basement of the Ivory Tower***, 2011

Clayton M. Christensen & Henry J. Eyring,
The Innovative University, 2011

Association of Governing Boards, ***Front and Center: Critical Choices for Higher Education***, 2011

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How to Save the Traditional University, From the Inside Out

By Clayton Christensen and Henry Eyring, *The Chronicle of Higher Education*

We've also got to take a hard look at what each institution can do uniquely well. Even schools of relatively small size and modest means have overstretched themselves, often in an attempt to be more like Harvard and the other great research institutions…But even if the drive to be bigger and better isn't explicitly focused on Harvard, whether the goal is as bold as breaking into the Association of American Universities or as parochial as offering more graduate programs than an in-state rival, moving up means looking incrementally more like Harvard. That inevitably means spending more per degree granted.

…there's no future in a strategy of consistently raising tuition at rates in excess of inflation and the earning power of the average college degree. Online degrees are steadily getting better, and the cost of providing them is a small fraction of what traditional institutions spend per graduate. Faced with an either-or choice, many young college students will follow the lead of adult learners: They'll take the affordable online option over the socially preferable but financially inaccessible traditional college experience.

How to Save the Traditional University, From the Inside Out

By Clayton Christensen and Henry Eyring, *The Chronicle of Higher Education*

But there's another alternative. It is a brick-and-mortar campus that makes good use of online learning technology and limits its activities to what it does best. Rather than equating bigger with better, this kind of institution will make focused choices in three critical areas: the students it serves, the subjects it offers, and the scholarship it performs. The conventional logic is that enhancing the stature of an institution means serving elite students, especially graduate students. More academic departments and degree programs are preferable to fewer, and scholarship is measured by publication and citations: That's the way the leaders of Harvard and other big research universities defined greatness. Some institutions, notably liberal-arts and community colleges, have resisted this definition, but its sway on those that bear the university label has been great. Along with the well-intentioned resistance of dedicated professors to online instruction, it has brought much of traditional higher education to the brink of competitive disruption.

How to Save the Traditional University, From the Inside Out

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In addition to adopting online learning as what we call a sustaining innovation, avoiding disruption will require incumbent institutions to effectively change their DNA. Most will need to become more focused on undergraduate students, cutting back on graduate programs that serve relatively few students while consuming much faculty time and generating little of the prestige hoped for when they were created. Programmatic offerings need to be more focused: Some majors should be dropped, and many should be shortened, making it more feasible for students to complete a degree in four years. The number of departments and centers at most institutions needs strategic shrinking.