

PRELIMINARY REPORT OF THE HBI STUDY PANEL

September 10, 2008

Summary Statement of the Panel's Approach and Process

The HBI Panel recognizes that a “simple assessment” and measurement of “comparability” is both difficult and complex. Moreover, identifying the moment in time when comparability has been achieved is challenging if not wholly impossible. A better approach, though no less complex and challenging, in the Panel’s view, is the development of an analytical process and a series of strategic steps that will enable the HBIs to develop the capacity to compete at all levels with other public institutions of higher education in Maryland. The Commission’s charge to the Panel portends its intent to pursue a more strategic approach to the enhancement of HBI programs and facilities to eliminate any vestiges and effects of prior discrimination and the disadvantages created by the cumulative shortfall of funding over many decades. The charge also portends an intent to adopt a strategic funding plan to acknowledge that shortfall and appropriate funds over time that will build the capacity of HBIs and make them comparable in terms of quality and resources to the State’s public TWIs. Comparability once achieved will place HBIs in the position they would have been, absent the perpetuation of discriminatory policies and practices, to compete effectively with other public institutions in the State.

There are many indicators that suggest that substantial additional resources must be invested in HBIs to overcome the competitive disadvantages caused by the vestiges and effects of prior discriminatory treatment: the lack of modern “state of the art” science and technology labs, the aging physical plants and lack of consistent funding for maintenance, the poor retention and graduation rates of students as compared to TWIs, the large number of poor and educationally underserved students in need of financial assistance. Indeed, one can reasonably assume that had the State consistently treated HBIs over their lifespan in a manner comparable to the treatment of TWIs, the HBIs would currently be competitive with other public institutions in these and other aspects of their operations both at the undergraduate and doctoral levels. The goal is to adopt a set of policies and practices that ultimately lead to the achievement of national eminence at all of Maryland’s public institutions of higher education. Clearly the preceding cannot be accomplished without satisfactorily addressing the lack of collegiate readiness among significant numbers of African-American high school graduates.

Comparability and Competitiveness in Undergraduate Education

Maryland's per-capita income and economic success is directly related to its high rate of bachelor's degree attainment. Historically high, Maryland will be increasingly challenged over the next 15 years to maintain or increase higher education attainment levels. This is because:

- Maryland's challenge is to find ways to bring the college-going rates and attainment of the faster growing, diverse lower income groups to levels commensurate with whites to ensure the state's continued economic success.
- The populations growing the most through 2021 will be from African-American, Hispanic and other minority groups. These groups historically have had lower rates of higher educational attainment, owing in the past to a relative lack of opportunity and more recently to lesser preparation for college related to income and educational background.
- The change and challenge posed by Maryland's population trends can be seen clearly in the proportions of high school graduates: In 2009, 52 percent of the year's graduates will be white, but by 2021, 38 percent will be white.
- Currently, the educational gaps between white and African-American students, and between white and Hispanic-Latino students, are large in high school graduation, preparation for college and college-going and degree attainment.
- While every public community college and university needs to increase access and help for students from lower-income families in higher bachelor's degree attainment, HBIs are uniquely positioned to play the largest role owing to their historical mission and effectiveness in meeting the needs of these students.

Effective undergraduate education needs to be the highest priority for HBIs and all of higher education given the fundamental role undergraduate education plays in meeting the state's workforce needs.

- The bachelor's degree has the highest currency for most students and its economic value is increasing.
- Quality undergraduate education is prerequisite for successful graduate and professional education attainment.
- The gaps in degree attainment between African-Americans and whites are great at both undergraduate, graduate levels, and professional levels. While larger gaps exist in graduate education, the only way is to close them simultaneously.

Analysis and Findings

To determine the comparability and competitiveness of the HBIs with the relevant Maryland TWIs, the Panel identified a set of indicators descriptive of the critical components of institutional capacity, on one hand, and institutional results or outcomes on the other. These indicators reflect many of the performance indicators already being used in the state funding process but also included others.

Using those indicators for which data could be obtained, the Panel compared the four HBIs and three TWIs in both capacity and outcomes. All seven universities were compared to each other because undergraduate education in all universities is expected to share similar outcomes and elements of capacity and outcomes. The Carnegie Classification applies only to graduate education.

This traditional, routine comparison yielded the following findings:

1. The findings are clear with respect to the very different kinds of students served by all of the HBIs compared to the selected TWIs.
 - SAT scores are lower by 200 to 250 points
 - Much higher percentages of HBI students are lower income and minority.
2. On the more traditional capacity indicators, the HBIs show more similarity with the TWIs.
 - Student-faculty ratios are similar.
 - Funding indicators are similar.
 - Percentages of faculty who are full-time vary, but not specific to HBI or TWI status.
 - HBIs appear to utilize greater percentages of full-time faculty who are not tenure-track.
3. The comparison of outcome indicators reveals large gaps in performance (competitiveness).
 - HBI graduation rates are 20-30 points lower
 - HBI undergraduate programs yield fewer degrees per 100 students enrolled.
 - HBI second-year retention rates are lower.

As traditional capacity indicators, these comparisons show more similarities than differences. However, the great disparities in outcomes render these comparisons unhelpful in determining “comparability in capacity.”

The Panel holds, accordingly, that the Commission should consider a different approach as it seeks to determine the kind and level of HBI capacity needed to be competitive. This approach centers on identifying those institutional actions needed for an HBI to improve undergraduate graduation rates significantly. The very different and greater challenges faced by HBIs in terms of student preparation and affordability should determine the specific capacity required by the HBIs, not a mechanical comparison to that of TWIs.

Moreover, this identification of what HBIs need to do specifically to help students graduate at far higher rates likely will not be assisted by currently identified traditional indicators or benchmarks. This is because there are relatively few institutional examples of success in this endeavor. Graduation rates in U. S. higher education remain almost wholly predictable by reference to the educational preparation and income of beginning students. Moreover, few institutions have attempted on a holistic basis to implement

comprehensive programs to specifically counter the effects of student preparation and family income on graduation rates. For this reason, Maryland must rely upon its creativity, experience, knowledge and limited programmatic examples in constructing a holistic and comprehensive strategy to build and sustain the capacity of HBIs to achieve comparability in graduation rates.

HBIs need a different form and level of capacity because unlike the TWIs, the HBIs have a dual mission: (1) to carry out their regular collegiate programs and associate functions to the best of their abilities and (2) to provide strong programs in developmental education to ensure access and success to students, mostly from low-income families, who otherwise would not have an opportunity to pursue a bachelors degree.

The HBIs are not funded at appropriate levels to carry out both parts of this mission simultaneously. Given the rapidly changing demographics in the State and the great disparity that continues to exist between bachelor degree attainment levels of white compared with black residents of the state, the HBIs are providing an invaluable service to the State in its commitment to helping underserved students, and in preparing African Americans for the Maryland workforce. In FY 2004, 46.2 percent of all Maryland high school graduates enrolled in a Maryland college or university. That percentage for African Americans was 38.6. Approximately 60 percent of African Americans enrolled in a public college or university within the State are enrolled at an HBI (excluding UMUC that enrolls students at multiple sites both within and outside the U.S. and enrolls a large percentage of nontraditional students.) In 2006-07, only 19.7 percent of the total number of bachelor's degrees awarded by Maryland campuses went to African Americans. Approximately 40 percent of these were awarded by the HBIs.

The consequences of serving higher percentage of students from low-income families include the following:

- (1) HBIs must expend a higher percentage of revenue toward student financial aid;
- (2) HBIs must charge lower tuition and fees because students cannot afford higher costs. Consequently, in FY 2007, the revenue from tuition and fees for HBIs is on the average \$1,500/FTE student less that that of TWIs (this analysis excludes UMUC and St. Mary's College because of their unique status);
- (3) The HBIs graduation rates are less than that of the TWIs because of the challenges associated with graduating students from low-income families and who have significantly lower levels of collegiate readiness at the same rate as that of students from higher income families; and
- (4) HBIs must expend larger portions of their budgets toward developmental education and academic support than TWIs.

The Panel's new approach to determining comparable capacity and competitive outcomes is based on the following principles:

1. Undergraduate education should be the first priority of state universities and the bachelor's degree should be recognized as the key credential in advancing minority

attainment, closing achievement gaps and reversing the cycle of low family income, educational background and college attainment levels. Increasingly, the bachelor's degree is the key to economic and social success.

2. All state universities should share this mission and all must have the capacity to help students earn the bachelor's degree at similar, competitive rates.
3. The most significant indicator of undergraduate program outcome and competitiveness is the graduation rate. An institution will be seen as competitive if it can help high percentages of students earn a degree.
4. The capacity of undergraduate programs should be judged by the extent to which the programs help students graduate. We call this "effective capacity." Different programs may have the same levels across the same indicators of capacity (student-faculty ratio, funding, and faculty characteristics) and yet result in highly different graduation rates. In these cases, the Panel holds that capacity is not comparable in that it does not lead to similar graduation rates.
5. In this context, assuring the comparability of a university's undergraduate education capacity requires taking into account the challenge of the task, the differential difficulty faced by different institutions in helping their students earn a bachelor's degree. In other words, universities that enroll students with significantly less educational preparation and readiness for college will require greater and different levels of capacity.
6. The Panel suggests that HBI capacity will be comparable when an institution has the programs and services to enable it to achieve the outcomes needed.

Strategies for Making HBIs Effective in Capacity and Competitive in Outcomes

With the preceding as background, the Panel recommends the following:

1. The capacity of HBIs in undergraduate education should provide the opportunity to raise graduation rates to levels approaching those of TWIs. Graduation rates should be the primary criterion determining competitiveness in HBI outcomes or results. The graduation rate benchmark for Coppin State University may need to recognize its low beginning baseline.
2. The HBIs as a group, coordinated by the Maryland Higher Education Commission and assisted by national experts, should outline in detail those programs and services needed to ensure that lower-income, lesser-prepared students eventually graduate at rates similar to TWIs. Each of the HBIs now offers a range of the contemplated services and programs in some form. The Panel also recognizes the state-supported "Access and Success" grant program aimed at improving student achievement and graduation. We find an absence of suitably-specific and common criteria that shape these programs.

This program also lacks the effectiveness, level of goals and accountability that we have in mind.

It is likely that the needed activities and programs will require both additional state support but also different strategies and emphases to achieve the more ambitious goals.

The primary focus of these services should be on learning achievement. The programs should address specifically the improvement of learning skills, especially reading, writing and mathematics.

However, these programs should be comprehensive and be planned using criteria shared by all HBIs (and certain TWIs if relevant). While few universities across the nation have developed programs that reach for these ambitious goals, there are some institutional examples that should be examined.

These services also should provide for the continuous advising and monitoring of student progress and appropriate intervention. These services should employ the latest effective technology that maximizes the connection of students with needed advising, counseling and individualized learning and learning tutorials.

The faculty and staff resources needed to implement these services and programs should be identified and the cost estimated. The nature of the professional resources required should be carefully evaluated according to student need. It is most likely that many of these student needs are best met not necessarily through tenure-track faculty but through full-time academic professionals with specialized preparation in learning skills development and subject-based learning.

3. The dominant focus on learning skills in these programs is reinforced by the knowledge that such skills (reading, writing and math) are the most important predictor of eventual graduation. The Panel estimates, and research data confirm, that at least 80 percent of HBI students need further preparation to succeed in college if reasonable readiness standards are applied. For HBIs to become competitive with TWIs in graduation outcomes, HBI capacity must be able to meet these needs.
4. These programs should be based on a common, statewide definition of college readiness in the form of specific statewide standards in reading, writing and mathematics. These standards should be established statewide. These standards should specifically focus the developmental programs and be used as the criteria for determining when students have achieved a level of college readiness. Meeting these standards coupled with successful course completion and eventual college graduation should provide the measure of these programs' effectiveness.
5. These student academic assistance programs should be available to any university that enrolls a significant proportion of underprepared undergraduate students.

6. The Panel believes strongly that increasing the capacity of HBIs in undergraduate education in the above ways to be the first priority for additional state support.
7. The Panel also notes that HBIs serve students who disproportionately have greater financial needs. Compared to students in the TWIs, students attending HBIs find a college education much more difficult to afford. While these more needy students qualify for need-based federal and state aid, a large number of these students have unmet financial need along with greater financial burdens and responsibilities.

The Panel suggests the following:

- That affordability is a critical factor in students staying in college and eventually graduating.
- That many students at the HBIs (and in the TWIs to a lesser extent proportionately) have unmet financial need that affects their successful attendance.
- That the HBIs, to a greater extent than TWIs, must constrain tuition and fee charges in recognition of the income status of their students.
- That HBIs, to a greater extent than TWIs, need to redirect portions of their tuition and fee revenue to support lower income students.

Accordingly, the Panel recommends that Maryland consider augmenting its need-based student assistance programs so that affordability is increased for lower-income students at all public universities. This, of course, will affect HBI students, and HBIs, disproportionately.

8. Based on visits to the campuses and reviews of reports and information provided by the state and the campuses, we believe that HBIs are not yet comparable in facilities. Our final report will be more specific about needs in this area, which will affect the comparability and competitiveness in undergraduate education at the HBIs.

Undergraduate Program Capacity in Outcome Indicators

Table A-1

Undergraduate Capacity Indicators

- A. Students
 - Average SAT
 - Average GPA
 - Percent Eligible for Pell Grants
 - Percent Fulltime
 - Percent Residential

- B. Faculty
 - Percent with Terminal Degrees
 - Percent of all Faculty Who Are Fulltime and Tenured or on Tenure Track
 - Student Faculty Ratio
 - Average Salaries by Rank for all Fulltime Faculty

- C. Funding
 - GF/FTE Student
 - Tuition + Fee Revenue/FTE Student
 - Other Revenue/FTE Student
 - Total Educational + General Revenue per FTE
 - Endowment (Restricted and Unrestricted)

Undergraduate Outcomes

- A. Graduate Rate (Six-Year)
 - White
 - African-American
 - Other
 - All Students

- B. Retention Rate (Second Year)
 - White
 - African-American
 - Other
 - All Students

Findings of Comparability of Capacity and Competitiveness of Outcomes in Undergraduate Education – HBIs and TWIs

Table A-2

Comparability (Capacity) and Outcomes (Competitiveness) Indicators for Undergraduate Education

Maryland HBIs and Selected TWIs

Capacity Indicators (2006-7)

	Bowie State	Coppin	UMES	MSU	UMBC	Salisbury	Towson
<u>Students</u>							
2006-2007 SAT scores	884	849	814	907	1190	1104	1072
% Minority	88	92	98	98	45	20	30
% Low Income	36	59	53	47	22	16	16
% Full-Time	82	77	92	90	85	90	88
<u>Faculty</u>							
% Full-Time	59	51	65	75	69	69	54
% Terminal Degrees	75	58	62	80		82	
Student-Faculty Ratio	13.5	18.3	16.9	14	17	15.9	15.6
E&G Funding Per Student	\$14,248	\$15,661	\$14,172	\$17,617	\$20,247	\$11,708	\$13,428
GF & TF Per Student	\$13,216	\$14,689	\$13,933	\$16,504	\$17,154	\$11,448	\$12,127
General Fund	\$7,486	\$9,944	\$8,025	\$10,300	\$8,532	\$5,036	\$4,963
Tuition & Fees	\$5,730	\$4,745	\$5,908	\$6,204	\$8,622	\$6,412	\$7,164

Outcome Indicators

	Bowie State	Coppin	UMES	MSU	UMBC	Salisbury	Towson
<u>Graduation Rates</u>							
African American	39.5	20.2	41.4	39.9	62	62.5	63.7
All Students	39.4	20.7	40.9	42.3	63.7	75.1	64.9
Second Year Retention	72	64	65	66	92	83	85
Bachelor's Degrees	621	376	436	821	1,914	1,439	3,120
Bachelor Degrees per 100 Enrolled	11.7	9.1	10.6	12.2	16.2	19.5	16.5