



*Report of the Eighth  
Quadrennial  
Evaluation Committee*

**Alabama Commission on  
Higher Education  
2006**

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## **Preface**

The last Quadrennial Evaluation of the Alabama Commission on Higher Education was performed in 1999. No review was conducted in 2002 for two reasons. First, there was a financial crisis in the State in the early part of this decade and there were insufficient funds available to conduct such a review. Second, at the regularly scheduled time for the review, the Commission was under the direction of an interim executive director and was in the process of hiring a new executive director. Thus the Commission concluded that matters were in such a state of flux that an evaluation would not be a productive exercise at that point. With the appointment of a new Executive Director in June 2006, the statutory requirement for a Quadrennial Review provided the Commission with an important opportunity to make a thorough examination of its mission as the state agency responsible for overall planning and coordination of higher education in Alabama.

# 1. Introduction

## Statutory charge

The statute that established the Alabama Commission on Higher Education (ACHE) provides for its evaluation by an external committee of consultants during the last year of each gubernatorial term. The statutory charge to the review committee was "... to evaluate the effectiveness of the Commission and to recommend changes as necessary" (Commission Statute, Section 16-5-12).

The charge of the current evaluation, as required by the Commission's statute, was to evaluate the effectiveness of the Commission, not Alabama's higher education system. Nevertheless, because of ACHE's statutory obligations and mission, the Review Committee concluded, as did the 1999 Review Committee, that it should assess the Commission's effectiveness in terms of its impact on the capacity of the State of Alabama and the state's higher/postsecondary education system to meet the state's needs for educational opportunity and services. The following references underscore the need for this broader perspective in the evaluation.

The Alabama Code states that:

The commission, in consultation with the agencies and institutions concerned with higher education in this state, *shall analyze and evaluate on a continuing basis the present and future needs for instruction, research and public service in postsecondary education in the state....* (Code of Alabama 16-5-5) (*emphasis added*)

The commission shall be responsible for *statewide long-range planning for postsecondary education in Alabama*. Such planning shall be the result of continuous study, analysis and evaluation. Plans will include the *establishment of statewide objectives and priorities* with methods and guidelines for achieving them. (Code of Alabama 16-5-6) (*emphasis added*)

The Commission's mission statement asserts that ACHE:

[S]eeks to provide *reasonable access to quality collegiate and university education for the citizens of Alabama*. In meeting this commitment, the Commission *facilitates informed decision making and policy formulation* regarding wise stewardship of resources in response to the needs of students and the goals of institutions. The agency also provides a state-level framework for institutions to respond cooperatively and individually to the needs of the citizens of the State. (*emphasis added*)

## **Quadrennial Review Committee 2006**

The following individuals were members of the 2006 Quadrennial Review Committee:

- **Dr. Aims McGuinness – Chairman**

Dr. McGuinness is a senior associate with the National Center for Higher Education Management Systems (NCHEMS), a private nonprofit policy center in Boulder, CO. At NCHEMS, he specializes in state governance and coordination of postsecondary education; strategic planning and restructuring higher education systems; roles and responsibilities of public institutional and multi-campus system governing boards; and international comparison of education reform.

- **Dr. James D. Johannes**

Dr. Johannes is President of On-Line Applications Research and Envisage Inc. He served as a faculty member at the University of Alabama in Huntsville beginning in 1974, becoming Dean of the School of Graduate Studies at UAH in June 1994 and continuing until August 1998.

- **Dr. Larry McCoy**

Dr. McCoy served as President of Northwest-Shoals Community College in Muscle Shoals from August, 1987 through September, 2000. From 1977 until 1987, he was Dean of Student Development at Athens State College (now known as Athens State University).

- **Mr. Victor Vernon**

Mr. Vernon is the Director of Legislative Policy for the Business Council of Alabama (BCA). At BCA, he represents the interests of the business community before the Legislature and other governmental bodies on tax, public education and workforce training issues. He served for 18 years as a Senate Fiscal Officer for the Legislative Fiscal Office.

- **Mrs. Mary S. Zoghby**

Mrs. Zoghby currently is the Executive Director of the Boys and Girls Clubs of South Alabama. She served in the Alabama House of Representatives from 1978 until 1994, where she served on the House Education Committee. She also chaired the House Banking Committee from 1983 to 1994.

## **Methodology**

The Committee met in early October 2006 in order to establish its methodology and to set a timeline for the completion of the project. The Committee framed the review around four basic questions:

1. What are the two or three most significant issues facing the State of Alabama that are being addressed or should be addressed by postsecondary/higher education?

2. What actions has the Alabama Commission on Higher Education taken in the past five years to ensure that postsecondary/higher education addresses the issues identified in Question 1?
3. What could the Commission do that it has not done to ensure that postsecondary/higher education addresses the issues identified in Question 1?
4. What are the most important impediments to the ability of the Commission to provide leadership in efforts of postsecondary/higher education to address the issues identified in Question 1?

The Committee conducted regional forums in order to gather information related to its charge. These meetings were held at the University of South Alabama (Mobile), Jefferson State Community College's Shelby County Campus (Hoover) and at the headquarters of the Alabama Industrial Development Training Institute (Montgomery). The Committee used the four questions to guide the discussions at the forums.

The Committee also surveyed a representative group of stakeholders regarding the effectiveness of the Commission's performance of each of the twelve statutory responsibilities. The survey also asked respondents to rank these twelve responsibilities in order of importance.

The Committee received an extensive briefing by the ACHE staff on the Commission's mission, functions, projects and activities since 1999. The staff was also given the opportunity to respond to some of the comments about the Commission and its work heard by the Committee during the regional meetings. Prior to drafting the report, the Committee chair made calls to selected state leaders who were unable to attend the forums.

Finally, to provide a context for its recommendations for the future role of the Commission in meeting its statutory responsibilities for analyzing and evaluating education needs and statewide long-range planning for postsecondary education, the Committee sought answers to key questions regarding the challenges facing Alabama through an examination of data on Alabama's education performance from a comparative perspective.

## **2. Assessment of the Impact of the Recommendations from the 1999 Review**

The Review Committee began with an assessment of the response to the recommendations of the previous 1999 Quadrennial Evaluation. The 1999 report began with the observation that Alabama was at a “critical turning point.” Alabama’s political, business, and civic leaders had “a fresh opportunity to shape an agenda to uplift the well-being of all the state’s people through education and the extraordinary capacity of the state’s colleges and universities.” The basic conclusion of that review was that:

The Alabama Commission on Higher Education must make a decisive transition from its past role of containing, controlling, and regulating, to a new role of providing statewide policy leadership and serving as a catalyst for system and institutional change. The focus should be on the future of Alabama - its people, economy and quality of life - and the fundamental connection of that future with the strength and responsiveness of the state's higher/postsecondary education assets. The Commission cannot - and should not - attempt to be the visible leader of the statewide agenda, but it can be the key catalyst and source of compelling evidence that under-girds the visible leadership by the Governor, the State Legislature and others.

The principal findings section of the 1999 Evaluation closes with the following statement: “the Commission cannot make this transition alone. It can only make this change with the leadership of the Governor, backed by legislative leaders, the state's business and civic leaders, and the higher/postsecondary education community.”

The following is an assessment of the state’s response to the recommendations of the 1999 review. Each recommendation is summarized followed by an assessment of the state’s response.

### **1999 Recommendation 1: Change the core assumptions underlying the Alabama Commission on Higher Education’s mission and functions**

The Committee recommends that the Commission pursue a fundamental change in the core assumptions regarding its mission and functions as a coordinating board. Key dimensions of the recommended change are as follows:

- A shift from rational planning for static institutional models to strategic planning for dynamic market models. This entails:
  - A shift from a focus on providers, primarily public institutions to a focus on clients, students/learners, employers and governments.
  - A shift from service areas defined by geographic boundaries and monopolistic markets to service areas defined by the needs of clients served by multiple providers.
  - A shift from a tendency toward centralized control and regulation through tightly defined institutional missions, financial accountability, and retrospective reporting

- to one of more decentralized management using policy tools to stimulate desired response (e.g., incentives, performance funding, and consumer information).
- A shift from policies and regulation to limit competition and unnecessary duplication to policies to "enter the market on behalf of the public" and to channel competitive forces toward public purposes.
  - A shift from quality defined primarily in terms of resources (inputs such as faculty credentials or library resources) as established within higher education to quality defined in terms of outcomes and performance as defined by multiple clients (students/learners, employers, government).
  - A shift from policies and services developed and carried out primarily through public agencies and public institutions to increased use of non-governmental organizations and mixed public/private providers to meet public/client needs (e.g., developing curricula and learning modules, providing student services, assessing competencies, and providing quality assurance).

#### Assessment of Response

There has been little movement on the part of the Commission to move away from using static institutional models and toward dynamic market models. The Commission still tends to focus on geographic boundaries and duplication issues, which conceivably could give some institutions monopolistic markets, despite the fact that with the advent of burgeoning telecommunications, and computer-delivered instruction such arguments have become obsolete. Whereas traditionally policies emphasized centralized control and regulation, the newer, more responsive market policies depend on decentralized management using policy tools such as incentive funding to stimulate desired responses. Policies crafted in the "new economy" harness marketplace competition for the benefit of the public. Under the new model, measures of quality have changed from inputs (institutional capacity and faculty characteristics) to outcomes (learning and value-added). ACHE policies and practices have not changed to reflect these developments.

### **1999 Recommendation 2: Focus on a public agenda for the future of Alabama.**

***Part A: The Committee recommends that the Commission on Higher Education place central priority on developing – and gaining consensus on – a public agenda.***

#### **Assessment of Response**

The Commission adopted the *State Plan for Higher Education 2003-2004 to 2008-2008*. This plan included the important goals of Access, Cooperation, Quality, and Workforce Development. Perhaps the most valuable part of the State Plan is the strategy for implementation and the link between the state plan and institutional accountability. The Boards of Trustees Report, *Progress Toward Statewide Goals for Alabama Higher Education*, provides a wealth of information on how each institution is responding to the state goals. Even more important are the regularly scheduled

presentations to the Commission by college and university presidents on how their institutions are responding to the goals.

Although the State Plan is an important step forward from past versions, it still falls short of the kind of state plan or “public agenda” envisioned in the 1999 review. That review recommended that the Commission place a central priority on developing and gaining consensus on a public agenda that (1) articulates the social, economic and educational challenges facing Alabama, and (2) provides strategies that will engage the state's higher/postsecondary education resources in addressing these challenges. The report stressed that a core Commission responsibility should be to define the significant disparities in the quality, responsiveness, and accessibility of higher/postsecondary services (1) between Alabama and competitor states, and (2) between and among geographic areas, populations, and other key client groups within Alabama.

The Commission’s *State Plan for Higher Education 2003-2004 to 2007-2008* places the performance of Alabama in a national context through the state report card from the National Center for Public Policy and Higher Education called *Measuring Up 2004*. Nevertheless, the State Plan:

- Focuses largely on issues internal to Alabama higher education and not the broader issues facing the state to which higher education should make a major contribution (e.g., supporting K-12 reform or regional economic development),
- Lacks data or quantitative indicators to document the extent of the problems and to serve as a basis for either state-level or institutional accountability,
- Was developed primarily by constituencies within higher education. An effort was made to obtain information from external sources (e.g., on economic and demographic trends), but representatives of Alabama’s business, civic and political leadership were not directly involved. There is no evidence in the documents that an effort was made to gain ownership of the principal state leaders—the Governor and the State Legislature—in the goals and proposed strategies,
- Does not address the significant regional differences in the needs and issues facing Alabama.

The Commission and the institutions are using the State Plan goals for accountability and information sharing. Nevertheless, it is not clear that the State Plan currently influences policy-making or the budget process. The Governor and State Legislature do not use the State Plan as a framework for setting higher education priorities.

***Part B: The Commission’s role should be to support those who do have the responsibility and capacity for statewide leadership: the Governor, the State Legislature, and the state's business and civic leaders.***

The Alabama Commission on Higher Education has neither the authority nor political influence to be the visible leader to shape and gain consensus on a public agenda. The

Commission's role should be to use information and analysis to define the issues and shape policy alternatives.

#### **Assessment of Response**

The Commission has made important strides in implementing the student unit record data system established in the mid 1990s. Working in collaboration with institutional representatives, ACHE has made significant progress in developing an information system that will be increasingly valuable for statewide and institutional planning. Coordinating boards similar to ACHE in other states rarely have significant formal authority. Their influence stems from the quality of data and analysis and their reputation and respect by Governor and state legislators for objectivity, fairness, and timeliness of their analysis and recommendations.

*Part C: A core Commission responsibility should be to define the significant disparities in the quality, responsiveness, and accessibility of higher/postsecondary services.*

Areas of potential disparity are: (1) between Alabama and competitor states, and (2) between and among geographic areas, populations, and other key client groups within Alabama. Because of historical and political realities, there remain significant mismatches between the state's higher/postsecondary resources and the needs of the state's population, employers, and communities. The Commission should document these gaps. The Commission should then advocate policy changes to provide incentives for institutions to bridge these gaps and reach out to under-served populations.

#### **Assessment of Response**

As stated above, ACHE has made little progress in moving towards an emphasis on developing and gaining consensus around a "public agenda" focused on the link between higher education and the future of Alabama and in implementing new policy models. In general just as in 1999, the Committee finds that not only is there no state level entity examining the differences in the performance of higher education in Alabama compared to other states and the significant differences among regions in needs and services.

### **1999 Recommendation 3: Link fiscal policy to the public agenda**

The Committee recommends that the Commission on Higher Education lead in an effort to shape a new funding policy for Alabama. Elements of this policy could include:

- Base funding for the state's public institutions taking into consideration differences in mission and peer competitors.
- Strategic investment funds, representing no more than 5% of the base funding, designed to provide incentives for institutions to respond to priorities as defined in the public agenda. Each investment fund would be designed to fit different objectives. Investment funds would focus on priorities such as:

- Incentives for individual institutions (singularly or in collaboration with others) to undertake internal renewal (e.g., in response to Program Viability findings, to increase the institution's competitiveness in program development and delivery)
- Incentives for institutions to reach high priority regions or populations that are not effectively served by market forces (e.g., high priority, low volume, place-bound populations).
- Incentives for collaboration between and among institutions (joint/shared programming, faculty development, shared administrative and support services).
- Matching funds to increase the research competitiveness of the state's major research universities, especially in areas directly related to the state's economic competitiveness.
- State policies for long-term capital development and renewal.

### **Assessment of Response**

Alabama funding policy remains essentially unchanged since 1999. The Commission's efforts to develop a Unified Budget Recommendation, including the funding formula, are largely ignored in the budget process, except to the extent that the formula is used as a reference point for defining need. There is no deliberate connection between funding policy and the Strategic Plan, much less the kind of "public agenda" envisioned in the 1999 review report.

In addition, participants in the regional forums agreed that incentive funding would be an important means to encourage change, performance, and responsiveness to state priorities. Nevertheless, most of the participants agreed that institutional presidents would likely oppose such incentives and urge that priority be given to funding individual institutional operational increases. Most agreed that leadership from the Commission, Governor and Legislature would be needed to implement incentive-funding mechanisms.

The Commission has made the case in the Unified Budget Request for increased funding for state needs-based student aid and for developing a long-term process for identifying and funding institutional capital improvements. Nevertheless, state policy-makers have not yet acted on these recommendations.

Just as in 1999, the 2006 review team recognizes that the capacity of ACHE to change depends on the support of the Governor, State Legislature and the state's higher/postsecondary education leaders. With Governor Riley's re-election, Alabama has a fresh opportunity to initiate needed changes to make ACHE a more effective policy leadership entity.

**1999 Recommendation 4: Lead a statewide campaign to raise the education attainment of Alabama's youth and adult populations by ensuring greater accessibility of higher/postsecondary education services in all of the state's regions.**

Possible strategies include the following:

- Target counties and populations with the lowest adult education attainment, lowest participation rates in higher/postsecondary education, and most severe economic conditions.

**Assessment of Response**

There have been some efforts made to address the needs of the citizens of the Black Belt.

- Emphasize accessibility in terms not only of cost but also of responsiveness to learner needs, geographic access, time, and pedagogy.

**Assessment of Response**

There has been no movement to address this recommendation.

- Emphasize use of existing human and physical resources (faculty, facilities, and technology) rather than state investment in new fixed assets whenever feasible.

**Assessment of Response**

There has been no movement to address this recommendation. In fact, the state has taken the opposite tract by taking over responsibility for a military school and constructing two-year off-campus centers in Pell City, Pickens County, and Demopolis.

- Provide incentives for institutions (providers) to deliver to off-campus learning sites - - especially in areas with low education attainment, low higher/postsecondary participation, high poverty rates, and other critical indicators.

**Assessment of Response**

There has been no movement to address this recommendation.

- Provide funding to multi-institutional faculty teams to develop new learning modules and delivery models - - especially to reach low volume, high need areas.

**Assessment of Response**

There has been no movement to address this recommendation.

- Provide state support for learning sites (especially in priority areas) to support essential student services and to obtain needed programs and services from providers.

### **Assessment of Response**

There has been no movement to address this recommendation.

- Encourage collaboration with secondary schools to enrich the academic offerings available to secondary students and improve the preparation of those students intending to pursue higher/postsecondary education.

### **Assessment of Response**

During the regional forums, the Committee heard many examples of efforts being made by two-year colleges and universities to work with the K-12 schools in their regions and at the state-level to increase the number of students prepared for and participating in college. These include:

- Extensive involvement of schools and colleges of education in professional development for teachers within their regions.
  - Involvement of higher education institutions in the Alabama Reading Initiative and other efforts listed above.
  - Special efforts being made by institutions to work with schools in their regions and to reach students in their early school years in order to encourage and prepare them for going to college.
  - Dual enrollment between the two-year colleges and high schools.
- Provide incentives for institutions (providers) to demonstrate effective models for developmental education and to ensure that developmental education is accessible to target student populations on and off-campus.

### **Assessment of Response**

There has been no movement to address this recommendation.

- Eliminate barriers in current Commission finance and academic policies to institutional initiatives to serve priority off-campus sites and populations.

### **Assessment of Response**

There has been no movement to address this recommendation.

## **1999 Recommendation 5: Develop a new generation of quality assurance policies**

- Streamline new academic program approval based on consistency with institutional mission and performance expectations.

### **Assessment of Response**

Academic program review and approval remains a core Commission function. The review committee was impressed with the quality of the review and approval process and efforts of the staff to streamline the reviews while maintaining essential quality assurance efforts.

- Institute a requirement for a periodic external review of institutional quality assurance processes.

**Assessment of Response**

The Commission attempted to address this recommendation by placing post-implementation conditions on the approval of new academic programs. This requires the institution to file an assessment of the new program with the Commission five years after the implementation of a program. If conditions have not been met, the Commission can terminate the program.

- Strengthen public reporting of information for student/consumer choice.

**Assessment of Response**

In 2005, the Commission totally reworked its agency website in order to make it more consumer friendly. The new site is modeled after other higher education “mentor” sites, which are online resources to help students and their families select a college, apply for admission, and plan to finance higher education. See [www.ache.state.al.us](http://www.ache.state.al.us).

- Strengthen links with the Southern Regional Electronic Campus and other third-party mechanisms to ensure the quality of distance learning and other non-traditional educational providers.

**Assessment of Response**

SREB's Electronic Campus was launched in January 1998 as an "electronic marketplace" of online courses and programs from the South's colleges and universities. Since its inception, the Electronic Campus has evolved significantly. The purpose of the Electronic Campus is to provide learning opportunities from accredited colleges and universities that offered courses and programs that exceed SREB's Principles of Good Practice. By doing this, learners can be assured of the quality and integrity of the courses and programs available in the Electronic Campus, that comparable information would be provided to help learners in making decisions that best met their needs, and that learners could quickly and easily search the large database of course and program offerings.

**Significant Developments Since 1999**

Two major developments occurred since the 1999 evaluation.

***Relationship between ACHE and Department of Postsecondary Education***

The most significant positive development is the greatly improved relationship between the Commission and the Department of Postsecondary Education. The 1999 review emphasized the role of ACHE in planning and coordination for the whole system of higher *and* postsecondary education in a manner that respected the responsibilities of the State Board of Education and the Department of Postsecondary Education’s governing responsibilities for two-year institutions. Because of tensions between ACHE and the

Department of Postsecondary Education, such a broader role was impossible in 1999. In the course of the 1999 review, two-year institutional representatives were essentially absent from the regional meetings convened by the review team. In contrast, because of greatly improved relations between ACHE and the Department of Postsecondary Education, a prominent, well-respected retired leader from that sector, Dr. Larry McCoy, served on the review committee, and, as indicated above, two-year institutional representatives were significant participants in all 2006 regional forums.

### ***Conclusion of the Knight v. Alabama Case***

Alabama's higher education desegregation case that began in 1981 finally came to an end with the signing of 12 settlement agreements in early December 2006. Through the Knight-Sims litigation, Alabama A&M University will have obtained the following relief:

- New, fully funded, and successful academic programs in Electrical Engineering and Mechanical Engineering.
- Expansion of AAMU's funding and role in a unified Alabama Agricultural Extension System, in which the overall Extension Director reports jointly to the Presidents of both Alabama A&M and Auburn.
- Expansion of AAMU'S funding and role in a unified Agricultural Research System.
- Approximately \$27 million in additional capital funding.
- Approximately \$24 million in State contributions to its endowment trust fund.
- Approximately \$3 million in diversity scholarship funds.

Through the Knight-Sims litigation, Alabama State University will have obtained the following relief:

- New, fully funded, and successful academic programs in Physical Therapy (MS), Occupational Therapy (BS), Health Information Management (BS), Master of Accountancy, Doctor of Educational leadership, and Microbiology (PhD).
- Approximately \$41 million in additional capital funding.
- Approximately \$25 million in state contributions to its endowment trust fund.
- Approximately \$8 million in diversity scholarship funds.

An additional \$9 million was allocated by the State in compliance with the Court's order to all of the Predominately White Defendant institutions for minority faculty and administrative staff recruitment and retention.

It is important to mention that a provision in the settlement agreement between the plaintiffs and the State will add \$10 million to the Alabama Student Assistance Program. This program administered by ACHE provides need-based financial aid to students, regardless of race, in all Alabama institutions of higher education. No other school desegregation case has addressed this issue of financial access. Currently, only \$1.7 million has been budgeted by the Legislature for need-based financial assistance, so the settlement agreement will bring the total amount available for low-income students to approximately \$12 million. This is a definite improvement, but even with this change, Alabama remains in the bottom tier of states in need-based aid.

This case has consumed a significant amount of staff time over the last 25 years. Recently the judge commended the State for complying “unbegrudgingly” with its orders. All staff members at some point have been involved in the collection and dissemination of materials and data on a variety of subjects. In particular, the ACHE staff members involved in the institutional research area over the years have played an important role in the case. Without in any way diminishing the contributions of other staff members, the work of two ACHE staff members should be noted. First, Dr. Paul Mohr, the Director of Special Services, has been responsible for the state’s participation in the Minority Doctoral Scholars Program since its inception in 1993. The SREB-State Doctoral Scholars Program was created to ease the acute shortage of minority faculty at U.S. colleges and universities. To date, 100 Alabamians have participated in the program and Alabama institutions have employed 29 Scholars. Second, Susan Cagle, the Director of Institutional Finance and Facilities, has served as an invaluable resource to the court and to all parties involved. She compiled the reports of the state’s monitoring committee, was an archivist of all materials related to the case and thus the unofficial case historian, ensured that the state was meeting its obligations, and negotiated the fine points of sometimes-vague court orders.

## **Summary**

The 1999 evaluation called for ACHE to provide statewide policy leadership for higher/postsecondary education linked to the future of Alabama rather than focus primarily on regulatory functions. The Commission has not made this transition. The Commission’s role and functions remain essentially unchanged since 1999. With changes in executive directors and a significant reduction in staff, the Commission has focused on certain core functions and has little capacity to embark upon new tasks. Despite these obstacles, two major developments occurred since 1999: greatly improved relationships between ACHE and the Department of Postsecondary Education and the conclusion of the Knight v. Alabama case. The Commission also developed a new *State Plan*, implemented the new student unit record data system, and made important improvements in the academic program review and approval processes.

### 3. Regional Forums and Survey Results

#### Observations from Regional Forums

Approximately 58 people attended regional forums in Mobile, Birmingham and Montgomery, including several current and former ACHE commissioners and representatives of public two-year institutions and universities, independent colleges and universities. A list of those attending the forums is included in Appendix A.

As a general observation, the excellent participation of two-year college representatives in the regional forums was a striking contrast to the virtual absence of two-year representatives in the 1999 review meetings. This positive change is testimony to the greatly improved relationship between ACHE and the Alabama College System/Department of Postsecondary Education developed over the past six years.

At each forum, the discussion followed the general sequence of the questions outlined in the Instruction Methodology. The questions were provided to the participants prior to the meeting. A summary of the discussions surrounding these questions follows.

1. There is a need to get far more students in K-12 better prepared for college-level learning. This is due to:
  - A perceived lack of understanding by parents and students of the value of a college education—partly because no one in their families may have ever gone to college or the lack of examples in their communities that going to college makes a difference in getting a living wage job.
  - The lack of information and understanding among parents and students of what it takes to be ready for college. For example, information on what courses students need to take and do well in to be prepared for college or a career such as nursing (e.g., the need to take a rigorous curriculum, including Algebra I and II).
  - Too many students require remediation in English and Math in higher education, especially students requiring remediation in two or more areas. Concerns were expressed that students requiring this level of remediation have a limited chance of ever completing a degree.
  - An insufficient alignment between the curriculum and requirements for graduation with a high school diploma and the requirements for college-level learning. Questions about the number of different levels of high school diplomas and how many high school graduates actually obtain a high school diploma with the level of endorsement that implies that a student is ready for advanced study.
  - Universities face challenges in getting well-qualified graduates of teacher education programs (especially in critical areas such as math) to stay in Alabama because of higher salaries being paid in Georgia.
2. There are too many students dropping out of high school, and too many young adults without a high school diploma who are unskilled and often not in the workforce. These problems are having a severe impact on the state's criminal justice, health and

social service system. This leads to two major concerns:

- The challenge of providing remedial/developmental education for these students to get them up to the level of regular programs and/or for jobs).
  - The impending shortage of qualified workers with the necessary basic skills in an economy with a 3.3% unemployment rate (many of the youth without high school diplomas or the equivalent are not included in the civilian workforce figures and therefore are not counted in the unemployment statistics).
3. The Governor and State Board of Education are making many significant efforts to improve education performance in Alabama. These include, but are certainly not limited to:
- The State Board’s progress toward the goals that every student should have safe and disciplined schools, quality teachers, challenging curricula and effective school leaders.
  - Implementation of *No Child Left Behind Act*.
  - The Alabama Reading Initiative (ARI) and the recently initiated Alabama Math, Science and Technology Initiative, both of which have extensive involvement of higher education.
  - The ACCESS program (Alabama Connecting Classrooms, Educators, and Students Statewide) which uses technology to ensure that students in rural and under-served school districts have access to advanced courses (e.g., AP courses).
  - The alignment of curriculum and assessments in career and technical fields at the high school level and two-year college level to increase the successful transition of students to college-level learning in technical fields.
  - Improved articulation agreements between two-year colleges and the senior institutions.
  - The Governor’s Congress on School Leadership and the Governor’s Commission on Quality Teaching.
4. There is a need for a P-16/P-20 leadership and coordinating process at the state-level, including:
- The need for an overarching plan and set of goals for Alabama for a seamless education system encompassing and drawing together the K-12 system and higher education to achieve measurable progress over time.
  - The need for a mechanism (organizational structure or process) for consistent communication and coordination between K-12 and higher education at the state-level. Proposals have been made for a state-level P-16 council but these have not been pursued.
  - The desirability of Cabinet-level coordination involving the State Superintendent of Education, the Executive Director of ACHE, the Chancellor of the Postsecondary Education System, and the heads of the major offices or departments such as the Department of Finance, the Alabama Department of

Industrial Development, the Office of Workforce Development, and the Alabama Development Office.

- The challenges of implementing projects such as the American Diploma Project that require coordinated implementation across both K-12 and higher education. Alabama is one of 26 states participating in the project. The project has laudable goals, but the realities of Alabama and the strong resistance to change make it exceptionally difficult to achieve progress on the timelines expected from the national project. Nevertheless, the Alabama plan for the project focuses on important tasks which would:
    - Align high school standards and assessments with the knowledge and skills required for success after high school.
    - Require all high school graduates to take challenging courses that actually prepare them for life after high school.
    - Streamline the assessment system so that the tests students take in high school also can serve as readiness tests for college and work.
    - Hold high schools accountable for graduating students who are ready for college or careers, and hold postsecondary institutions accountable for students' success once enrolled.
  - The need for more visible, formal involvement of higher education representatives in supporting major state-level K-12 reform initiatives. Representatives, including ACHE staff members, are involved in most of the major initiatives (e.g., through membership on task forces, committees and study groups), but there is no formal, consistent way for higher education to play a significant role in supporting K-12 reform.
  - The limited visibility of ACHE in leading or supporting K-12 reform (although ACHE staff members are represented on most of the state-level task forces and committees such as the Governor's Committee on Quality Teaching and the American Diploma Project).
5. There is a need for increased regional planning and coordination, including:
- The need for more recognition by state-level planning and policy-makers of the significant differences in the population and economies and therefore, the higher/postsecondary education needs of each region
  - The desirability of increased joint planning and collaboration among the two-year colleges, universities, schools, Workforce Investment Boards, and local leaders in addressing the problems of improving the education pipeline, the education and training of out-of-school and under-educated youth, and meeting regional workforce and economic development needs.
6. There was widespread support for ACHE to play a stronger policy leadership role, especially in planning and in providing information (e.g., from the Alabama Statewide Student Database) to support planning at the state and regional levels. This includes:

- Support for ACHE to emphasize its statutory responsibilities for planning, analyzing and evaluating present and future needs (similar to responses to the Questionnaire summarized above).
- Strong overall support for the continued development of the Alabama Statewide Student Database and for the ACHE staff leadership of this effort.
- Strong support for increased collaboration between ACHE, the Department of Postsecondary Education, and the State Department of Education in developing a database/data repository to support P-20 planning and coordination in Alabama.

During these discussions there was even a suggestion made that ACHE could evolve into a statewide planning entity for all education (P-20) in a manner that would emphasize *planning, information, and facilitation*, and would not conflict with the State Board of Education’s Constitutional responsibilities.

7. There were differing views on ACHE’s role in academic program review and approval, including approval of off-campus programs. A summary of these views follows:
  - General feedback indicates that the ACHE process plays an important role in supporting and reinforcing sound academic planning and decision-making at the institutional level.
  - There were concerns that if the ACHE role in academic program approval is weakened, it will lead to intensified turf battles among institutions and program proliferation (e.g., two-year institutions offering bachelor’s degrees and increased pressure for universities to offer doctoral degrees).
  - It was suggested that ACHE should play a more pro-active role in identifying areas of unmet need: areas of the state that need to be served or critical workforce needs. As a corollary, concerns were expressed that the ACHE process for approval of off-campus programs/courses was preventing the development of higher education centers in areas of the state that are currently significantly underserved.
  - There are concerns that the academic program approval process has been used at times as a way for institutions to protect turf more than to ensure quality and expand access to needed programs.
  - There were concerns that the Commission meeting agendas — and the Commission’s overall focus — places too much emphasis on the regulatory functions of academic program review and approval with the result that less attention is given to other important Commission responsibilities (e.g., planning, coordination, identifying the state’s critical needs, and advocating for needed policy changes).
8. There were concerns about the low level of state level funding of need-based student aid. Several participants felt that because of their priority for obtaining essential state support for institutional operations, the institutional presidents tend not to advocate for significant increases in student aid. Several participants also indicated that in their opinion, more need-based student aid is not enough to eliminate barriers to

affordability for low-income, under-served populations, and that more emphasis needs to be given to providing better information, counseling and support services to students, and increased incentives to take the right courses and stay in school.

9. There is a need for a consistent, long-range commitment to state funding of capital improvements in state supported institutions. The lack of cyclical procedures for evaluating or funding capital needs results in:
  - Poor institutional and statewide planning.
  - Institutions issuing revenue bonds, funded largely by student tuition and fees, to fund essential capital needs. The result is that the majority of the cost of financial capital needs is passed on to the students.
10. There is a proliferation of non-Alabama institutions and providers attempting to offer postsecondary programs and courses in Alabama. This is due to the fact that Alabama has:
  - Weak oversight for these providers compared to most other states.
  - Splintered responsibility for elements of oversight between the Secretary of State, the Department of Postsecondary Education, and ACHE which is weakening oversight from the perspectives of consumer protection, potential fraud and abuse, and quality assurance.
  - The need for significantly stronger oversight laws and regulations as well as coordinated, if not consolidated, responsibility for the oversight and approval process.

## **Survey Results**

A questionnaire was distributed to a representative group of stakeholders. For a copy of the survey, please see Appendix C. There was a very poor response rate. This may be attributed to the fact that mail surveys typically have the lowest response rates of any kind of survey. The response also might have been affected by the fact that, at the time of the survey, Alabama was at the end of an election cycle. Consequently, some potential respondents might have been too involved with election activities that respond. Those who did respond to the survey were college and university administrators and faculty members. This skewed the results of the survey. The findings were further skewed by the fact that the student financial aid administrators returned their surveys in greater numbers than the other higher education personnel and these individuals had “no opinion” on questions related to the non-student aid functions.

The responses that were received showed that respondents would assign a higher priority to the “policy leadership” functions of ACHE such as:

- Developing and implementing a long range plan for postsecondary/higher education.
- Analyzing and evaluating present and future needs for instruction, research, and public service in postsecondary/higher education.

- Developing and recommending legislation to ensure high quality education in the state.
- Establishing a university and college information system.
- Advising the governor, at his request, regarding postsecondary/higher education matters.

What is striking about the higher priority functions is that respondents ranked as among the least effectively performed by ACHE the top two policy leadership functions:

- Long-range planning.
- Analyzing and evaluating the present and future needs of higher education in Alabama.

At the same time, respondents gave lower priority to two regulatory functions, but ranked these as the most effectively performed:

- Reviewing and approving/disapproving proposals for new programs or units of instruction.
- Reviewing existing programs and units of instruction, research, and service.

Since all the respondents were institutional representatives, it is not surprising that many ranked the regulatory functions such as program review as a lower priority. Nevertheless, it is a compliment to the ACHE staff that respondents gave high ranks to the way that the staff performs these statutorily mandated functions.

The results that from one-quarter to one-third of the respondents had “no opinion” about how ACHE performs its functions and the high percentage of responses of “no opinion” on other questions suggest that ACHE is not a widely recognized or understood entity in Alabama higher education.

In summary, the results of the questionnaire show that representatives from the institutions support an increased emphasis of ACHE on statewide planning and policy leadership and less emphasis on the traditional regulatory functions. Nevertheless, most respondents supported retaining core regulatory functions such as program review and approval.

## 4. Toward a Public Agenda for Alabama Higher Education

The discussions at the regional forums and results of the survey underscore the priority of the Commission's statutory responsibilities for analyzing and evaluating education needs and statewide long-range planning for postsecondary education. As summarized in Chapter 2, the *State Plan for Higher Education 2003-2004 to 2007-2008* is an important step forward from past versions. Nevertheless, it still falls short of the kind of state plan or "public agenda" envisioned in the 1999 review.

### Summary of Data Analysis

To underscore the importance of a new focus of the Commission's strategic plan, the 2006 Review Committee analyzed data regarding the challenges facing Alabama through from a comparative perspective.<sup>1</sup> The following key questions, formulated by the Committee as a result of discussion at the regional forums, frame the major issues and the evidence provided by the data. This summary refers to slides displayed in detail in Appendix B.

- **What are the population projections regarding the age distribution of the state's future population?** Alabama has a shrinking school age and working-age population (Slide 4).
- **What are the implications of this for the state's future workforce and education system?** The population in the working age of 25-34 is projected to decline by 64,106 (Slide 4).
- **How does the education attainment of the population at the college level compare with other states and nations?** The percent of Alabama's population age 25-64 with an associate degree or higher is 27.1% for 41<sup>st</sup> place in the U.S.; 20.8% have a bachelors degree or higher for 42<sup>nd</sup> place in the U.S. (Slides 6 and 7).
- **Is Alabama gaining or losing population at the higher education level of education attainment (associate degree and above)?** Alabama's college-educated young population is far smaller than the U.S. and competitor nations. The percent of Alabama's young population age 25-34 with an associate degree or higher (29.1%) is below the U.S. (33.8%), and competitor nations such as Canada (53.3%), Japan (51.6%), and Korea (49.1%) (Slide 8). Alabama is losing its college-educated young population and importing a less educated population. In the last decade, Alabama had

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<sup>1</sup> The analysis utilized data from the Alabama Statewide Student Database and existing publicly available national sources such as: the U.S. Census Bureau, the National Center for Education Statistics, the Bureau of Labor Statistics, the Southern Regional Education Board (SREB), the National Center for Public Policy and Higher Education, the National Center for Higher Education Management Systems (NCHEMS); [www.higheredinfo.org](http://www.higheredinfo.org)), the National Science Foundation, and the State Higher Education Executive Officers.

a net loss of 8,053 young people age 22 to 29 with bachelor's degrees and 1,193 with graduate and professional degrees (Slide 10).

- **How well educated are the state's youth?** Alabama has a severe problem in that a large percentage of young adults ages 18-24 do not hold a high school diploma or the equivalent. This problem is directly correlated with social and health problems and high rates of crime. The highest concentrations of these under-educated youth are in the state's urban areas (Slides 12-14).
- **Are students getting through the education pipeline from 9<sup>th</sup> grade to high school, entering college, persisting in college and graduating, at rates comparable to other states?** Alabama has severe leaks in its education pipeline, especially between 9<sup>th</sup> grade and high school, between high school and college, and between the first and second years of college (Slide 16). Of 100 9<sup>th</sup> graders, only 60 are estimated to complete high school within four years, only 37 enter college, only 23 are still enrolled in the sophomore year, and only 14 will graduate with either an associate degree in three years or a bachelor's degree in six years (Slide 16 - estimates based on NCES data, not cohort data).<sup>2</sup>
- **Are Alabama students prepared for college-level study and employment in a high skill economy?** Many Alabama students are severely under-prepared for college-level learning compared to students in other states. Despite improvement, based on evidence from the National Assessment of Education Program (NAEP), Alabama is being out-paced by other states in the percentage of students taking a rigorous high school curriculum, the percentage taking AP exams, and the percentage of students needing remedial English and Math when entering Alabama higher education (Slides 20-28).
- **Is the Alabama population going to college at rates comparable to other states—both recent high school graduates as well as the adult population?** Alabama is performing well compared to other states in college-going for students who complete high school (60.6% compared to 55.7% for U.S.). However, this good news is offset by the reality that 40% of the ninth graders never get to high school graduation.
- **Do college going rates vary between counties?** College-going varies significantly among Alabama counties from a low of 32.6% to a high of 73.5% (Slide 37).
- **Is Alabama's part-time undergraduate enrollment as a percentage of population age 25-44 comparable to other states?** Alabama has a comparable low part-time

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<sup>2</sup> Data from the Alabama Department of Education and the ACHE Student Data base confirm the national estimates. Following cohorts of 9<sup>th</sup> graders for 1997-1998, 1998-99, and 1999-2000, analysis shows on-time high school completion rates, and rates of entering college comparable to the estimates (on-time high school completion rates of 53%, 57% and 58%), and entering Alabama public institutions (not including private) immediately of 33%, 35% and 38%, for the three cohorts.

college-going rate for degree-credit. Typically, this reflects both a traditional delivery system and potentially low demand from employers for employees to continue formal education (Slide 38).

- **Is Alabama a net importer or exporter of first-time freshman?** Alabama public institutions continue to serve large numbers of out-of-state students (reflecting in part the location of so many institutions on the state's borders), but as shown elsewhere, the state still has an out-migration of young people with degrees (Slide 39).
- **Are Alabama students completing degrees and certificates at the higher education level at rates comparable to other states?** Alabama two-year colleges graduate students at about the national average and at rates better than half the states. They produce fewer associate degrees per 100 high school graduates than the national average, but perform better on this indicator than half the states (Slides 41-42). When certificates are included, the two-year colleges produce more students with credentials compared to students enrolled than the national average (Slides 41-43). Alabama four-year public universities have lower six-year graduation rates than the national average (49.8 compared to 54.3 for the U.S.). Alabama produces only 47.6 bachelor's degrees per 100 high school graduates compared to the U.S. average of 51.8. When compared to all undergraduates, however, Alabama exceeds the national average (51.8 compared to the U.S. average of 47.6) (Slide 44-45).
- **Is Alabama higher education producing degrees in areas critical to the state's competitive position in the global economy?** Alabama produces a comparatively small percentage of science and engineering undergraduate degrees, degrees considered important for economic competitiveness, compared to other states (Slide 47). At the advanced (masters and PhD) levels, however, Alabama performs exceptionally well in percentage of degrees in these fields (7<sup>th</sup> in the nation) (Slides 47-48).
- **Is Alabama retaining and attracting a workforce educated at the college level and in fields critical to the state's future economy?** Alabama could face a crisis in finding a sufficient number of college-educated people to serve a globally competitive high-skill state economy. The state faces a problem with the projected decline in the young population (Slide 4). Compounding this problem are (1) low education attainment, (2) low workforce participation rates, and (3) out-migration of its young college-educated population.
- **How does Alabama's unemployment rate compare to other states?** Alabama has a very low unemployment rate—3.3%, but this rate is calculated based on the people actually in the workforce. However, Alabama has a low percentage of its civilian population participating in the workforce (62.5% compared to the U.S. average of 66%; 44<sup>th</sup> in the U.S.) (Slide 51).
- **Does the level of education relate to workforce participation?** Yes, the level of education relates directly to workforce participation. In 2000, Alabama had 40,954

persons age 25-34 out of the civilian workforce who had less than a high school education. Another 43,927 with only a high school diploma were out of the workforce (Slide 52).

- **Is Alabama a net importer or exporter of college-educated professionals?** Between 1995-2000, Alabama was a net exporter of young college-educated professionals ages 20 to 29 in critical fields such as health diagnosing and treating practitioners, and engineers. In the same period, Alabama was a net importer of college-educated professionals ages 30-64, but it still lost engineers. These trends are important in light of a reported shortage of engineers in Alabama (Slides 54 and 55).
- **Does Alabama have a high percentage of jobs that require college-level education?** Alabama has a low percentage of employment in professional and managerial positions, positions that require college-level education. These positions are highly concentrated in a few counties. The state also has a low percentage of jobs in high-technology establishments. Both these facts suggest that Alabama's current economy has a low demand for college-educated employees—except in specific fields (e.g., health professions and education) (Slides 58 and 59).
- **What are the significant variations among the state's counties/regions with implications for higher education policy? Where must the state focus to have the greatest long-term impact?** Alabama is a composite of significantly different regions in terms of population characteristics, income, economy, and education challenges (Slides 62 to 79, as well as 13, 14, 18, 33, 37, and 58). A one-size-fits-all higher education policy which fails to recognize these differences and to target solutions to unique regional issues will not move Alabama forward. Most Alabama public colleges and universities serve *regional* student populations. The Alabama Statewide Student Database shows that most Alabama students attend a two or four year institution either within or close to their home county. Most Alabama institutions (especially the two-year institutions) draw most of their students from the immediate or surrounding counties. The four-year institutions also draw from the major centers.
- **Is Alabama competitive in R&D, especially in fields essential for competition in a technology-intensive global economy?** Alabama is strongly competitive in R&D, including competitive federally funded R&D, compared to other states, taking into consideration the state's population and economy (Slide 81-87). The state's competitive position in R&D is highly concentrated in medical and life sciences, and this capacity is geographically concentrated at the University of Alabama at Birmingham. Alabama is far less competitive in R&D in areas that are critical to its future position in a technology-intensive global economy: math, computer science, and physical science (89-90).
- **Is college affordable to Alabama students in relationship to their incomes and in comparison to other states?** What are the trends in the overall financing of the system in the shares of financing between the state and students/families? College is

not affordable to many Alabamians. The national report card, *Measuring Up 2006*, gave Alabama an “F” for affordability based primarily on the cost of college related to families’ ability to pay, exceptionally low levels of state funding of need-based student aid, and comparatively high levels of student indebtedness (Slide 92).

- **Do Alabama institutions rely more on tuition than do other states?** Alabama public institutions rely more on revenue from tuition and fees than the U.S. average (48.4% in 2005, compared to 39.2% for the U.S.). This revenue includes tuition and fees from out-of-state students. As across the U.S., the share of financing from tuition has increased sharply in recent years as the share from state appropriations has decreased (39.3% in 2000 to 48.4% in 2005) (Slides 93-94).
- **What are the projected long-term prospects for state financing?** Alabama is projected to have the worst budget gap (structural deficit) in the nation by 2013, according to a study by the Rockefeller Institute at the University at Albany, State University of New York. This is the gap between the increasing costs of current (often mandated) services and available tax revenues. Alabama, like all states, *must* balance its budget. The issue will be one of priorities (Slide 96). The ratio of higher education funding to other state spending in Alabama is projected to decrease sharply by 2013 (Slide 97). Even with changes in the state’s economy and modest policy change, Alabama faces extraordinary budgetary challenges.

## Major Themes

The analysis reveals several themes that could serve as the foundation of a “public agenda” for Alabama. These themes are that Alabama must:

- Stop the leakage in the education pipeline and get more students through to a certificate or associate degree or a bachelor’s degree with higher levels of learning.
- Ensure that all students graduating from high school are prepared to enter the workforce at a living wage or higher education.
- Recover a significant portion of the 18-24 population not in the workforce, especially those without a high school diploma and basic employability skills.
- Increase the degree production, especially at the baccalaureate level, in fields critical to the future competitiveness of the state’s economy: science and technology.
- Diversify R&D to give more emphasis to math, computer science, and physical science.
- Increase the demand for a high skill/high wage workforce by focusing economic development on retaining, developing, and attracting employers who require—and will create demand for—college-educated workers. Alabama’s current strength in the automotive industry could vanish overnight as global corporations shift to other states or nations.

What will be the future economy of Alabama?

- Increase the affordability of college in Alabama, especially for students from the lowest income quartile. There should be a connection between increases in need-based student aid and incentives to stay in school. In order to ensure academic progress, essential services to support students should be committed to these goals.
- Design and implement new more cost-effective modes of delivery to ensure high quality services to students, recognizing the projected severe fiscal constraints facing the state over the next decade.

## 5. Recommendations

The 2006 Quadrennial Review Committee respectfully submits the following recommendations for consideration.

### To the Governor

1. Appoint a blue-ribbon commission charged with the responsibility to shape, and gain consensus around, a long-term, P-20 (primary through graduate school) plan in order to establish a seamless education system that will raise the education attainment of Alabama's population to the levels of the best performing states and competitor nations over the next quarter century. This plan should emphasize that the education of all Alabamians from preschool through college is critical to the future economic competitiveness of state and to the quality of life and opportunities for all the state's citizens. This plan should:
  - Engage a broad cross-section of the state political, business, civic and education (K-12 through higher education) leadership across the diversity of Alabama's population.
  - Establish long-term measurable goals benchmarked to the best performance in Southern Regional Education Board (SREB) states, the U.S., and competitor nations.
  - Include challenging, but realistic, intermediate targets for improvement (e.g., becoming a leader among SREB states in improvement).
  - Enact the basic long-term goals and targets as State Law to ensure sustained attention to the plan, to link the plan to state policy priorities, and to gain legislative commitment.
  - Emphasize that the P-20 plan builds upon and provides an over-arching framework for other recent initiatives including, as examples, the Governor's Congress on School Leadership, the Governor's Commission on Quality Teaching, and the plans and priorities of the State Board of Education and the Alabama Commission on Higher Education.
  - Draw on best practice as recommended by SREB, the National Governors' Association, the National Conference of State Legislatures, and other SREB states. Examples:
    - SREB (2006), *From Goals to Results: Improving Education System Accountability*
    - NCSL (2006), *Transforming Higher Education: National Imperative—State Responsibility*

- Achieve, Inc. (2006). *Closing the Expectations Gap*
  - Kentucky's Strategic Agenda for Postsecondary Education
  - Texas' *Closing the Gaps* and Texas Compact for *Leading the Way*
  - Charge the State Superintendent of Education, the Chancellor of the Alabama Department of Postsecondary Education and the Executive Director of the Alabama Commission on Higher Education (ACHE) to collaborate in developing the information (including an integrated student information system) to shape the P-20 plan and to develop indicators and benchmarks for monitoring and ensuring public accountability for step-by-step progress toward goals.
  - Charge the State Board and the Alabama Commission on Higher Education to develop sector Action Plans linked to the P-20 Plan and take actions to develop a seamless education system.
2. Establish an "Education Cabinet," chaired by the Governor to oversee the implementation of the P-20 plan.
- Members should include, at a minimum, the State Superintendent of Education; the Executive Director of the Alabama Commission on Higher Education; the Chancellor of the Alabama College System/Department of Postsecondary Education; the Director of the Department of Finance; the Director of the Office of Workforce Development; the Director of the Alabama Department of Industrial Relations; and the Director of the Alabama Development Office.
  - The Education Cabinet should be charged with the responsibility for:
    - Ensuring coordination with statewide strategic planning, strategic budgeting (the SMART governing initiative).
    - Public accountability to the Governor, State Legislature, and the people of Alabama for measurable progress toward goals.
    - Cross-government coordination of Action Plans (especially the State Board of Education and ACHE) and initiatives focused on achieving the goals of the P-20 plan.
    - Ensuring ongoing communication between senior state education leaders, ensuring ties to state economic development and workforce strategies.
3. Convene an annual Governor's Conference on College and University Trustee Leadership. The Governor should:
- Host the Conference in collaboration with the State Board of Education, the Alabama Commission on Higher Education, the Alabama College System, and the chairs of the boards of trustees and presidents of universities and two-year colleges.
  - Set an agenda for the conference which focuses on:
    - Informing trustees about and holding them accountable for contributing to measurable progress toward the goals of the P-20 state plan.

- Trustee development on “effective trusteeship,” including critical issues of public accountability, stewardship, and ethics in education leadership.
- Seek private funding for the Governor’s Conference.
- Seek support from the SREB and national trustee organizations such as the Association of Community College Trustees (ACCT) and the Association of Governing Boards of Universities and Colleges (AGB).
- Charge the Alabama Commission on Higher Education with responsibility for planning, organizing, and carrying out the Governor’s Conference.

### **To the Governor and State Legislature**

1. Charge the Alabama Commission on Higher Education with responsibility to develop and recommend a substantial revision of current policies and methodologies for financing higher education.
2. Significantly increase state funding for student financial aid targeted to low-income students by:
  - Establishing a goal of increasing state funding for student aid for low-income students to 25% of federal student aid received by students in Alabama and make step-by-step progress toward this goal over five years. This increase would be from the current level of 1% but would still leave Alabama far behind the level of 89% in the top states.
  - Establishing a new component of the state student aid program that would provide incentives and support for students beginning in middle school to stay in school, take the right courses, and continue on to college (see recommendations for ACHE below).
3. Enact substantially strengthened oversight of the delivery of postsecondary/higher education courses and programs by out-of-state institutions and providers by:
  - Strengthening Alabama standards and requirements to be comparable to the highest and most demanding requirements of any state.
  - Designating ACHE as the entity to coordinate, if not undertake consolidated responsibility for, the functions now undertaken by the Secretary of State, the Department of Postsecondary Education, and ACHE, for the approval of out-of-state postsecondary/higher education institutions and providers to operate in Alabama, including licensure, authorization, consumer protection, and quality assurance.

### **To the Alabama Commission on Higher Education**

1. Reframe the mission of ACHE as recommended in the 1999 Quadrennial Review to shift away from a regulatory agency and toward more of a policy leadership entity.
2. Shape the next edition of the state plan for higher education as an Action Plan for Higher Education and as a “public agenda” linked to the state P-20 plan by:

- Developing the plan with extensive engagement of the state’s business and civic leadership in addition to the stakeholders within higher education.
  - Focusing on higher education’s contribution to the future of Alabama: raising the education attainment of the state’s population, the competitiveness of the state’s economy, and the quality of life of all Alabama citizens.
  - Including measurable goals benchmarked to the best performing states in the SREB region, the U.S., and in the longer term, to other nations.
  - Tying state budget priorities and financing policies to the Action Plan.
  - Linking institutional accountability to specific quantitative measures for institutional performance and accountability reflecting (1) unique institutional missions and (2) institutional accountability for contributing to the State Plan and the overall P-20 plan.
3. Assign high priority to ACHE’s role in leading and facilitating higher education’s support and contributions to the P-12 portion of the P-20 plan, including (see Achieve agenda and SREB report, *From Goals to Results*):
- Implementing a regional dimension in the Commission’s approach to planning and coordination.
  - Using data/information on regions to shape deliberations among colleges and universities, K-12, regional Workforce Investment Boards, business and civic leaders on regional strategies to improve education performance and attainment.
  - Convening regional forums (perhaps in conjunction with regular ACHE meetings) on the P-20 plan both to inform key stakeholders and to engage them in efforts to make progress toward the goals.
  - Making use of data on regional differences in decision-making on academic programs and other Commission decision-making.
4. Sustain the core statutory functions related to program review and approval, but enhance them by:
- Continuing efforts to streamline the process.
  - Linking program review and approval to the priorities in the new State Plan.
5. Develop and recommend to the Governor and State Legislature a long-range financing plan to achieve the goals of the P-20 plan and the Action Plan for Higher Education, including fundamental revisions in the state policies and methodologies for financing higher education. This financing plan should include components regarding:
- Legislative appropriations for institutional operations and maintenance. The funding models/formulas for this component should move away from emphasis on “cost-reimbursement” (primarily through state appropriations) to:
    - Rewarding excellence related to different institutional missions (e.g., two-year institutions, universities, etc.).

- Providing incentives to achieve state goals.
  - Reflecting the reality that the responsibility for financing Alabama higher education is shared by the state, students/families, and other non-state funding sources.
  - Student financing to include financial aid programs designed to maintain affordability.
  - Strategic investment funds linked to priorities in the Higher Education Action Plan and P-20 plan.
  - A new commitment to state supported capital financing.
6. Give priority in the new financing plan to developing and recommending to the Governor and Legislature:
- A specific proposal for cyclical procedures for evaluating or funding capital needs.
  - A new state student financial aid initiative (either as a modification of an existing program or new initiative) that would target low-income students at the middle-school level and provide for students and families to enter into a “learning contract” where students would agree to take the right courses, stay in school, etc., and schools would provide the support services (counseling, etc.) that are known to be essential for at-risk students to succeed.
7. Develop and recommend a proposal to the Governor and State Legislature for strengthening the oversight of out-of-state institutions and providers, including recommendations regarding the staffing and budget necessary to perform these functions.
8. Redesign the Commission’s meeting agendas to focus primarily on leading and monitoring progress toward the State Plan and the overall P-20 plan by:
- Organizing the Commission’s monitoring and accountability (benchmarked to best performing states) around a limited set of basic questions, such as:
    - Are Alabama students ready for college-level learning and a high skill workforce?
    - Are Alabama students progressing through the education pipeline from 9<sup>th</sup> grade to a college degree or postsecondary certificate?
    - Are they completing high school ready for college-level learning, entering college, and persisting to graduation?
    - Are Alabama students completing certificates and degrees, especially in areas critical to the state’s and each region’s economies?
    - Is the state’s investment in R&D linked to the future competitiveness of the state and each of its regions?
    - Is college affordable for all Alabamians in relationship to their ability to pay?

- Delegating to committees responsibility for detailed regulatory oversight.
  - Using “consent” agendas whenever possible to expedite attention to issues such as program review and approval (subject, as always, to having an item removed from the consent agenda).
  - Striving to allocate 75% of Commission meetings to policy leadership, monitoring and accountability related to the State Plan/P-20 plan and not more than 25% of Commission meetings to regulatory oversight.
9. Increase ACHE staffing in the critical areas of:
- Strategic planning related to the Higher Education Action Plan and in support of the state P-20 plan.
  - Data and information systems, especially analytic capacity and collaboration with the State Department of Education.
  - Leading, coordinating and facilitating P-20 alignment in key areas of standards, curriculum and assessments.
10. Evaluate the Commission’s existing statutory mandates for data collection to identify:
- Data collection that is no longer relevant or useful.
  - Ways to streamline and reduce the cost of data collection (recognizing that this is an on-going process).
  - Additional data needs related to the Action Plan and P-20 plan.
  - Opportunities to draw on existing state, regional (SREB), and national data sources (e.g., [www.higheredinfo.org](http://www.higheredinfo.org)) to enhance the Commission’s capacity for comparative analysis.
11. Establish a consumer information portal giving students and families information on (1) courses and level of performance required to be prepared for college-level learning and for specific careers, and (2) the cost and quality of the State’s higher education institutions. In order to implement this, the Commission should:
- Seek additional state funding to support the student information portal, or, if state funding is not available, seek foundation support.
  - Establish a user-friendly search engine that could improve students’ ability to make better choices on how prepare for college-level learning, make institutional selection choices, and make more informed decisions about the true cost of college. Such a portal would allow students to:
    - Create a personal profile (demographic characteristics, academic background and performance, academic interests).
    - Receive information about success of other students who fit this profile at institutions that the potential student is considering.
    - Get a realistic and early estimate of how much a particular college will cost, based on their family’s financial profile.

- Work with the State Department of Education to ensure that schools and school counselors have access to computers and support services, so that disadvantaged low-income and minority students and parents, who may have limited access to technology, may have improved information for making better institutional selection choices and a better understanding of costs.

## 5. Conclusion

The 2006 Quadrennial Evaluation Committee's observations, findings and recommendations are remarkably similar to those of the 1999 Evaluation. The need for change today is even more urgent than in 1999. In the face of intensifying global competition, Alabama remains far behind the nation—and competitor countries—in the education attainment of its population. While Alabama is making progress in improving the performance of the education system, serious gaps remain between Alabama and other states. Meanwhile, the accusations of wrongdoing in parts of the higher / postsecondary education system are undermining public trust in the leadership of the enterprise.

Alabama must engage in a sustained, long-term campaign to raise the education attainment of its population. Failure to do so will place the state at risk of being marginalized by the global knowledge-based economy as high skill/high wage employers by-pass the state for other states and nations. Alabama's demographic trends make the challenge even more daunting: the slowing population growth in lower age groups and projected decline in the young working age population mean that Alabama cannot narrow the education attainment gap by merely getting more young people through K-12 to a two- or four-year degree. It must significantly increase the workforce participation of those out of the workforce and ensure that this population has the essential skills for a changing economy. It must increase the education attainment of the existing workforce. In addition, Alabama must significantly increase the in-state demand for a college-educated workforce by focusing economic development on retaining, developing, and attracting employers offering high skill/high wage jobs in Alabama.

As daunting as these circumstances may be, they are contributing to a deeper sense of urgency for action than existed in 1999. As cited throughout this report, under the leadership of the Governor, the Legislature, the Alabama Commission on Higher Education, the State Board of Education, the individual colleges and universities, and many other organizations, important efforts are underway to address these challenges. Newly re-elected Governor Bob Riley has set forth a bold vision, Plan 2010: Our Vision for Alabama, establishing a top priority to create a world-class education system. The 2010 Plan establishes the goal that, "By 2010, our education system will be able to prepare all Alabama students for the challenges of a global economy."

The Alabama Commission on Higher Education has an important responsibility to contribute to long-term solutions to the state's problems. Current members of the Commission are actively seeking ways to improve education in Alabama. The review team was especially impressed by the comments made by the members of Commission who attended the regional forums. In addition to facilitate in the attainment of the Governor's goals for education, the Commission has appointed a new executive director with a strong record of accomplishment in other states.

## Appendix A

### Roster of Individuals Attending Regional Meeting

Mobile

October 17, 2006

University of South Alabama – Mitchell Center

Pat Covey – University of South Alabama  
Frank Hurley – University of South Alabama  
Al Yeager – University of South Alabama (retired)  
John Johnson – Alabama Southern Community College  
Byron Dunn – Alabama Technology Network (Brewton Office)  
Danny Patterson – former Alabama Commission on Higher Education Member  
George Crozier – Dauphin Island Sea Lab  
Joseph Mitchell – State Representative, Mobile  
Kathleen Hall - Jefferson Davis Community College  
Linda Lunsford – Faulkner State Community College  
Betty Leslie – Bishop State Community College  
Debra Davis – University of South Alabama  
John Steadman – University of South Alabama  
Richard Hays - University of South Alabama  
Thomas Chilton – University of South Alabama  
Kenneth Gates – University of South Alabama  
Ken Davis – University of South Alabama  
Scott Cox – University of South Alabama  
Keith Ayers – University of South Alabama

Birmingham

November 16, 2006

Jefferson State Community College – Shelby County Campus

Jim Jolly – Gadsden State Community College  
Theresa Hamilton – Calhoun Community College  
Jason Hurst – Central Alabama Community College  
Joe Wilkins – University of West Alabama  
Mim Wilkins – University of West Alabama  
Dan Howard – University of North Alabama  
Mary Beth Adams – University of Alabama at Birmingham  
Steve Collier – University of Alabama at Birmingham  
Bill Fendley - University of Alabama  
Steve Fair – Shelton State Community College  
Channing Howington – Shelton State Community College  
Ron Moon – Wallace State Community College - Hanceville  
Charles Nash - University of Alabama System  
Joe Morris – Jefferson State Community College

Roberta Watts – Alabama Commission on Higher Education  
Roger Watts – retired two year system employee  
Nancy Griggs – Northeast Alabama Community College  
Glenda Colagross – Northwest-Shoals Community College

Montgomery  
November 20, 2006  
Alabama Industrial Development Training Institute – Montgomery Center

Gene Murphree – Legislative Fiscal Office  
Barbara Anne Spears – Trenholm State Technical College  
Jane Goodson – Auburn University at Montgomery  
Eddie Johnson – Alabama Department of Education  
Hal Fulmer – Troy University  
Julie Simmons - Montgomery County Public Schools  
Joe Lee – Alabama State University  
Phyllis Wesley –Alabama Industrial Development Training Institute  
Ed Castile - Alabama Industrial Development Training Institute  
Gale Main – Alabama Commission on Higher Education  
Steve Shaw - Alabama Commission on Higher Education  
Tom Davis - Alabama Commission on Higher Education  
Tom Vocino – Auburn University at Montgomery  
Jeff Coleman – Alabama Commission on Higher Education  
Paul Hankins – Alabama Independent College Association  
Carol Vucovich - Alabama Independent College Association  
Bill Blow – Alabama Commission on Higher Education (retired)  
Evelyn White – Alabama State University  
Bill Jones – University of Alabama  
Porter Banister – University of Alabama at Birmingham  
Glenna Brown - University of Alabama at Birmingham



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*Appendix B*  
*Background Information*  
*on the State of Alabama:*  
*Comparative Perspective*

**Prepared for Quadrennial Evaluation of the Alabama  
Commission on Higher Education  
November 2006**



National Center for Higher Education Management Systems  
3035 Center Green Drive, Suite 150 Boulder, Colorado 80301-2251



# Quantity and Quality of Human Resources

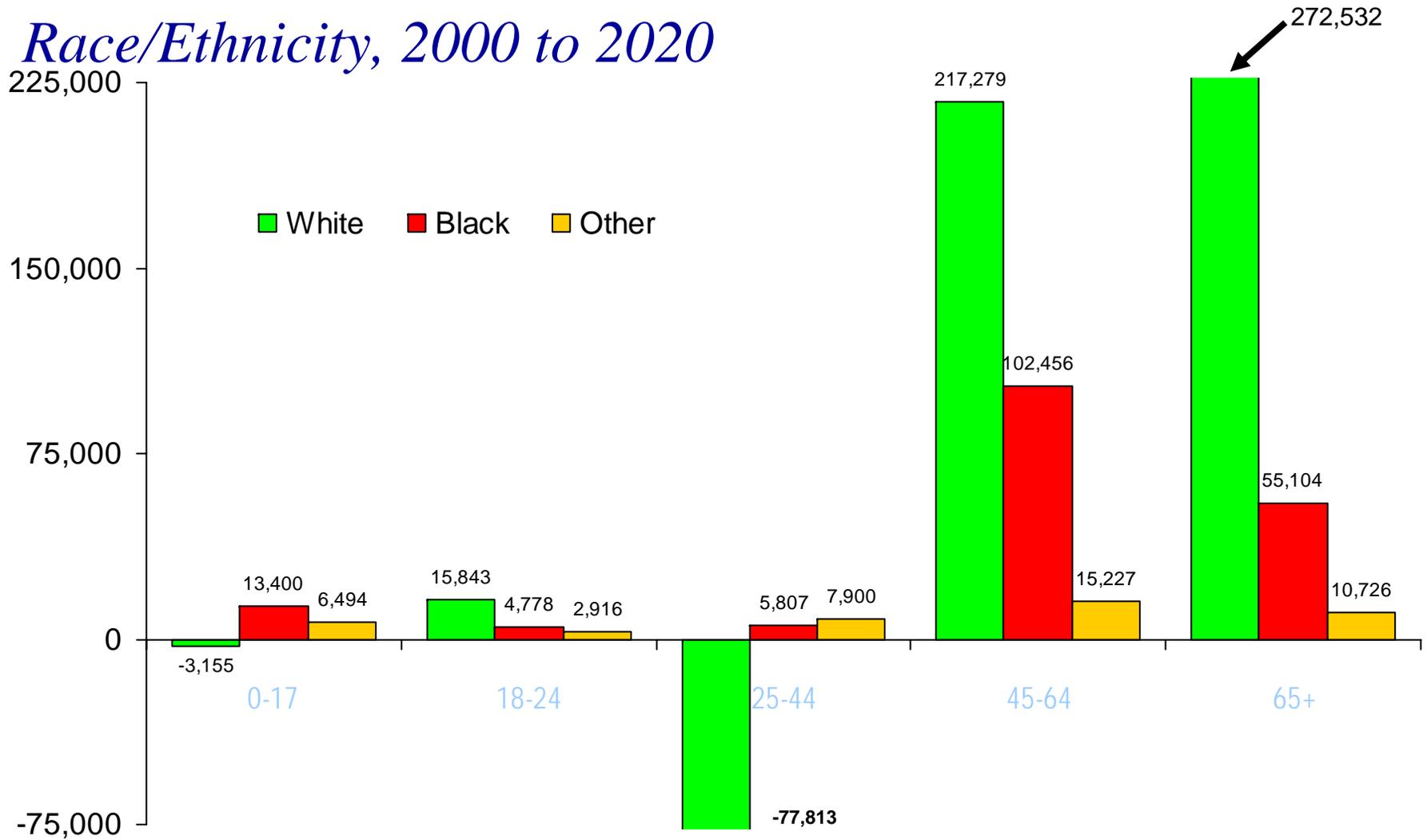
Population Projections  
and  
Education Attainment



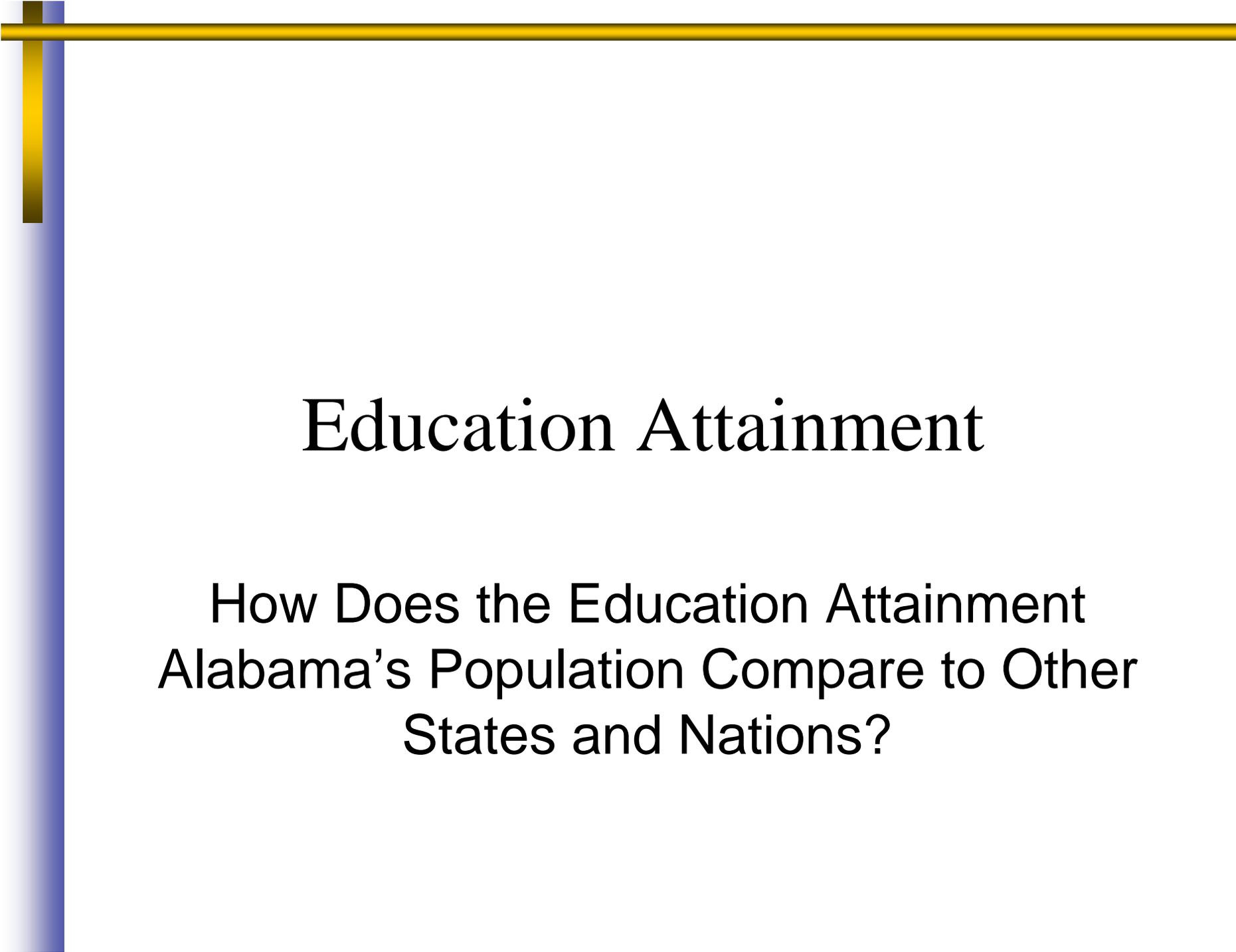
# Population Projections

How Many Alabama Citizens Will Be  
Available for the State's Future  
Workforce?

# Projected Change in Alabama Population by Age and Race/Ethnicity, 2000 to 2020



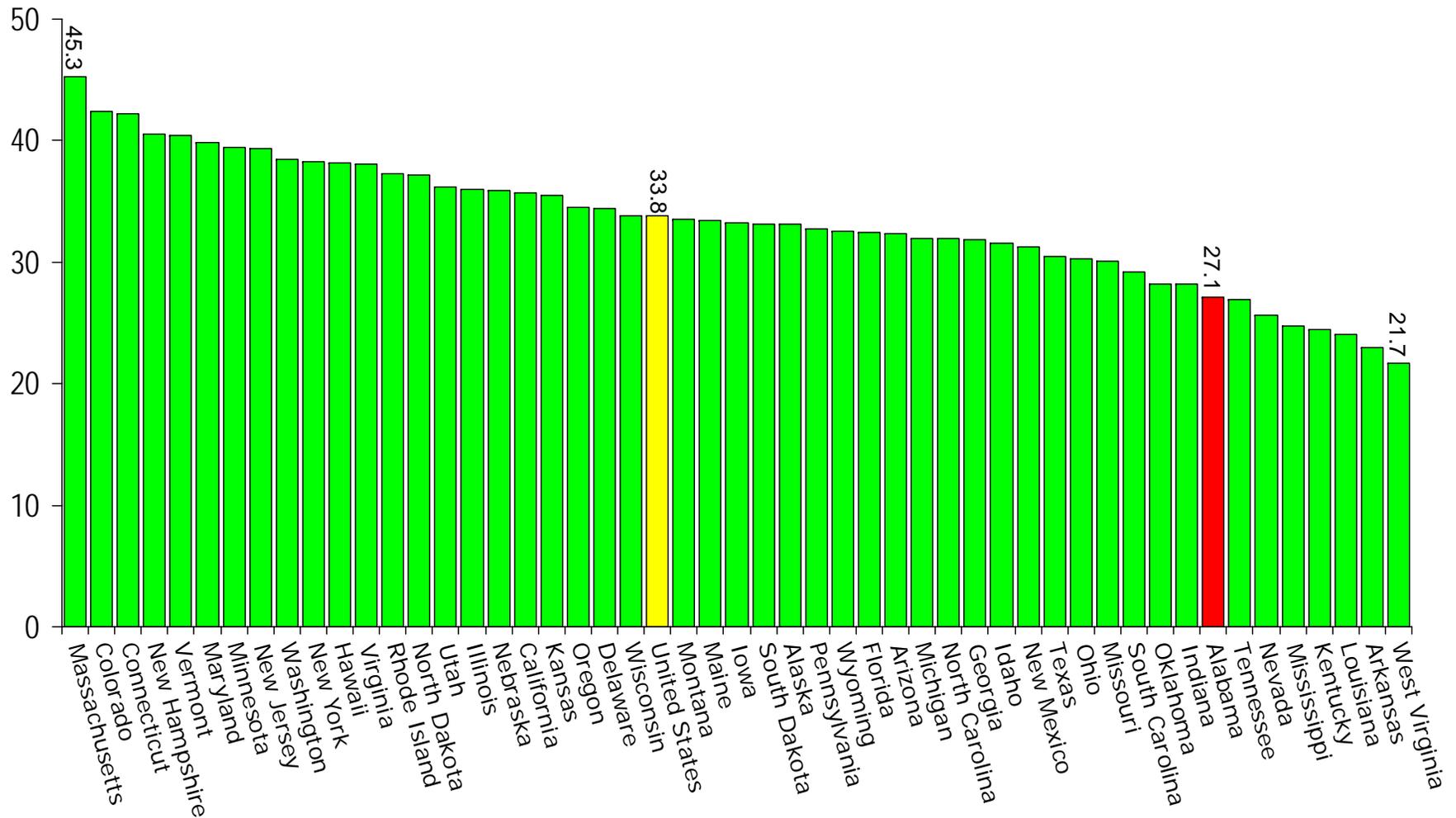
Source: U.S. Census Bureau Population Projections



# Education Attainment

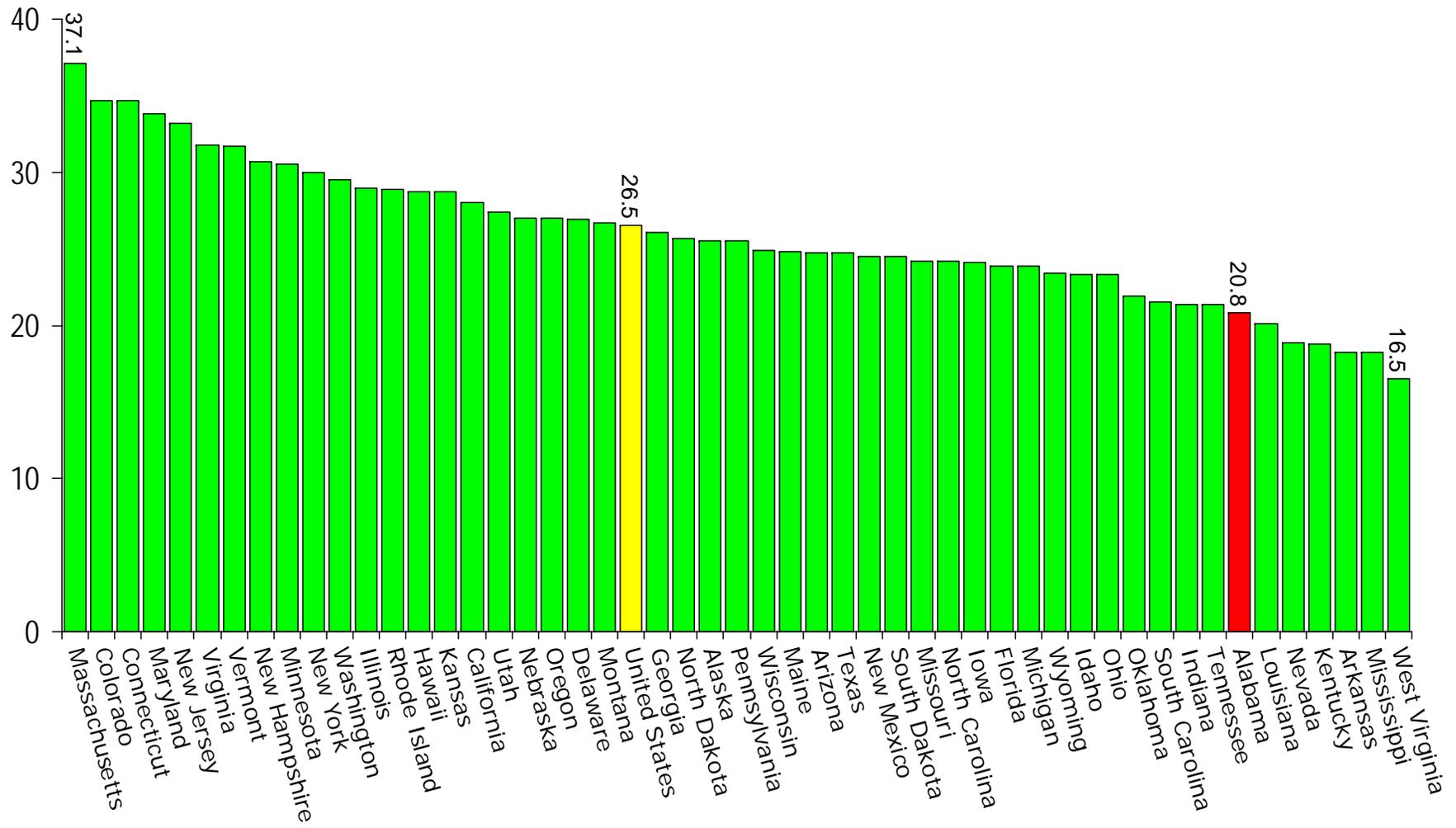
How Does the Education Attainment  
Alabama's Population Compare to Other  
States and Nations?

# Percent of Population Age 25-64 with an Associate Degree or Higher, 2000



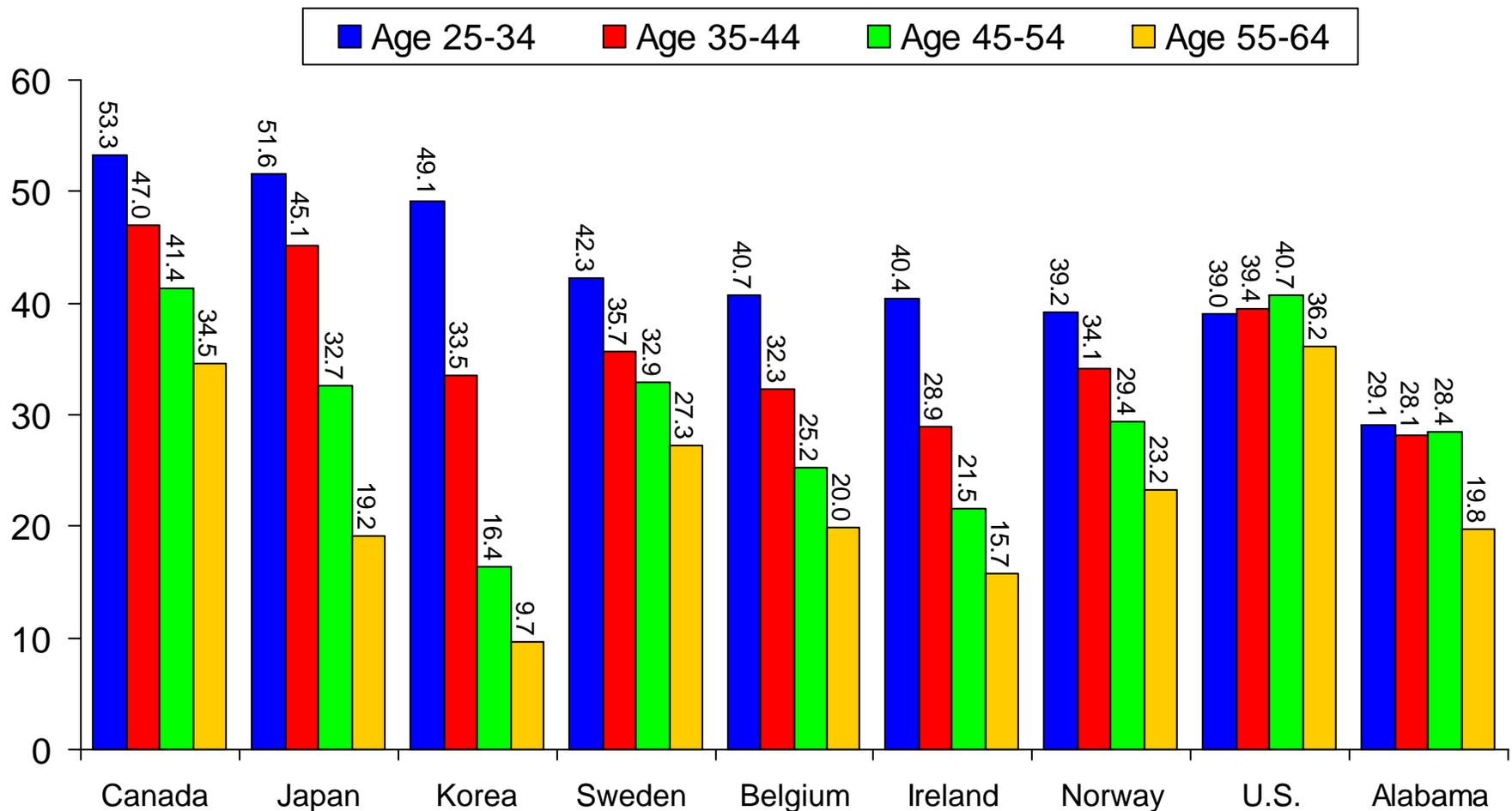
Source: U.S. Census 2000

# Percent of Population Age 25-64 with a Bachelor's Degree or Higher, 2000

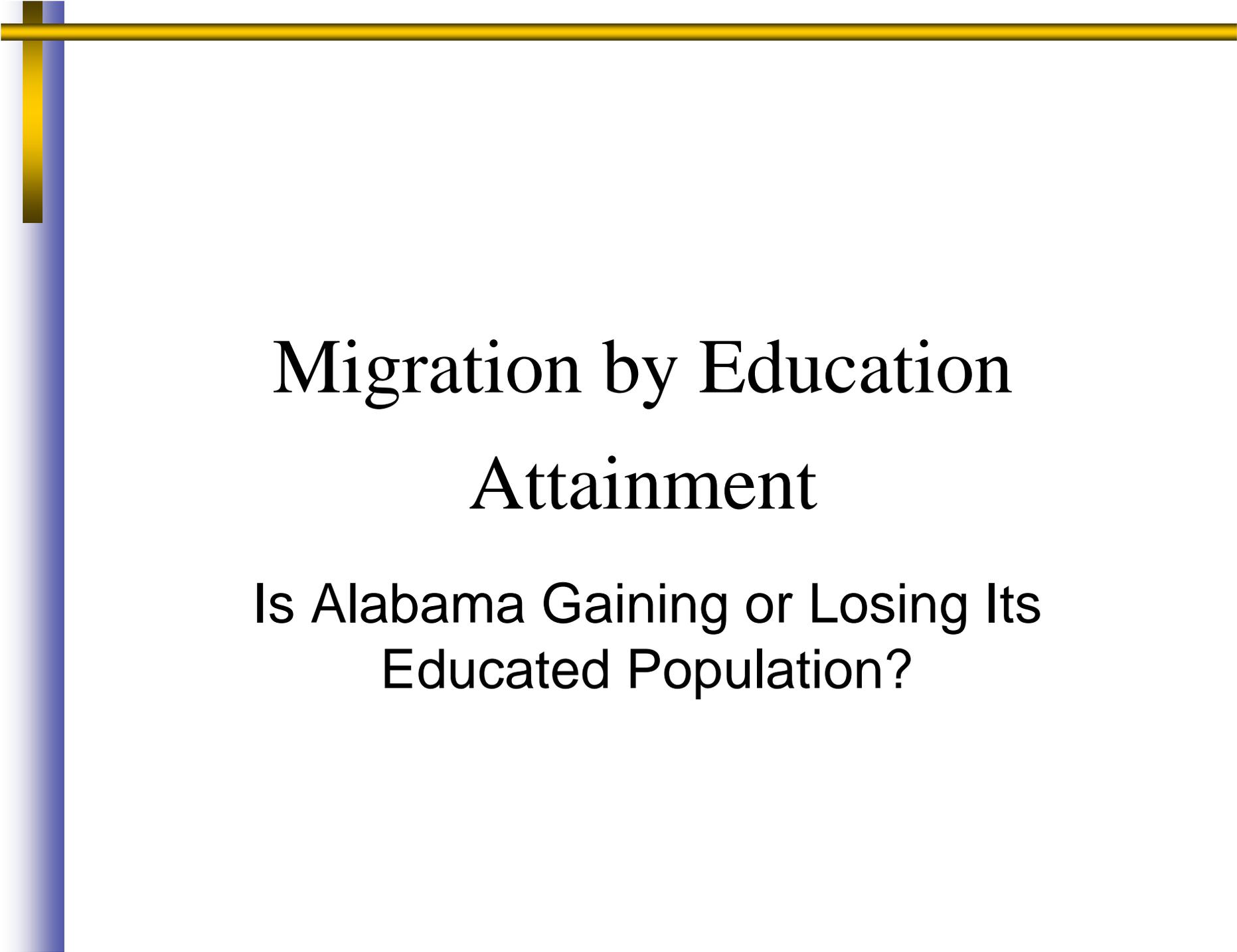


Source: U.S. Census 2000

## Differences in College Attainment (Associate and Higher) by Age Group—Alabama, U.S. and Leading OECD Countries, 2004



Source: Organisation of Economic Co-operation and Development (OECD), *Education at a Glance 2006*; U.S. Census Bureau

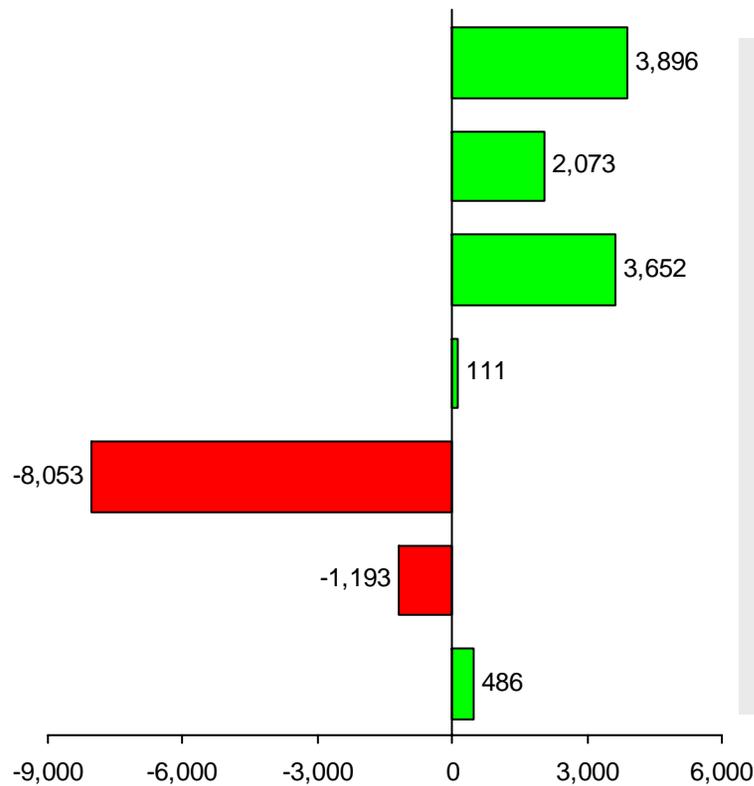


# Migration by Education Attainment

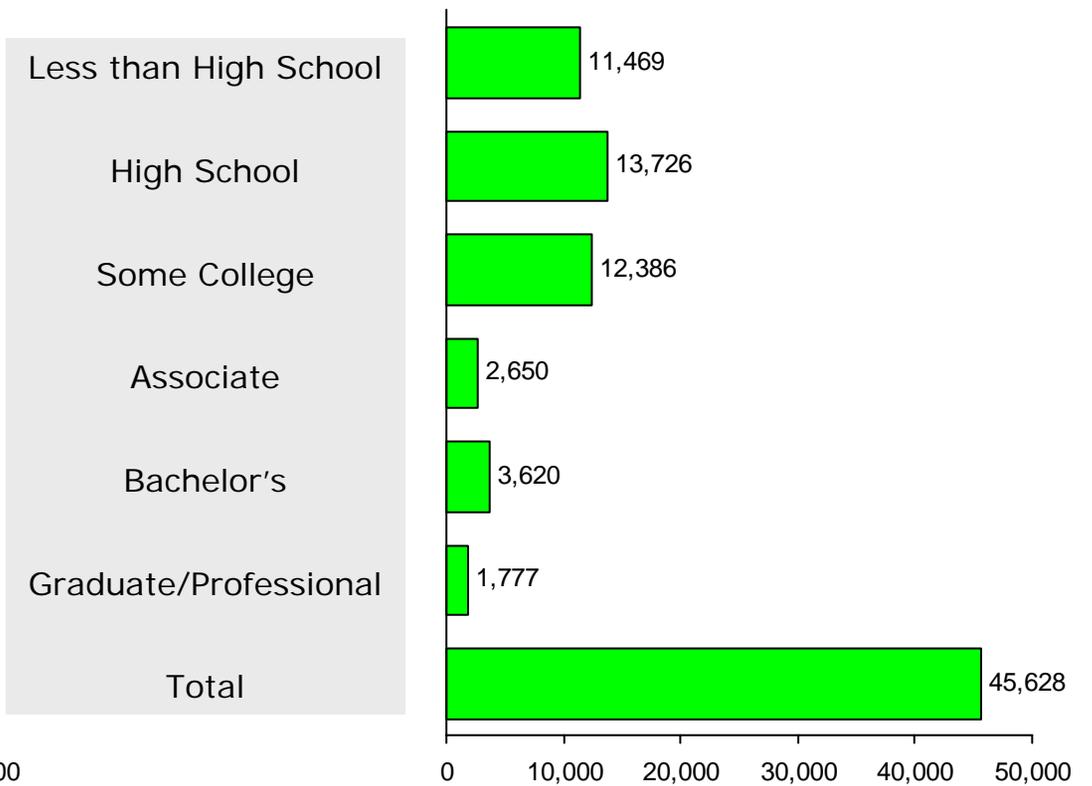
Is Alabama Gaining or Losing Its  
Educated Population?

# Net Migration by Degree Level and Age Group— Alabama

**22- to 29-Year-Olds**



**30- to 64-Year-Olds**



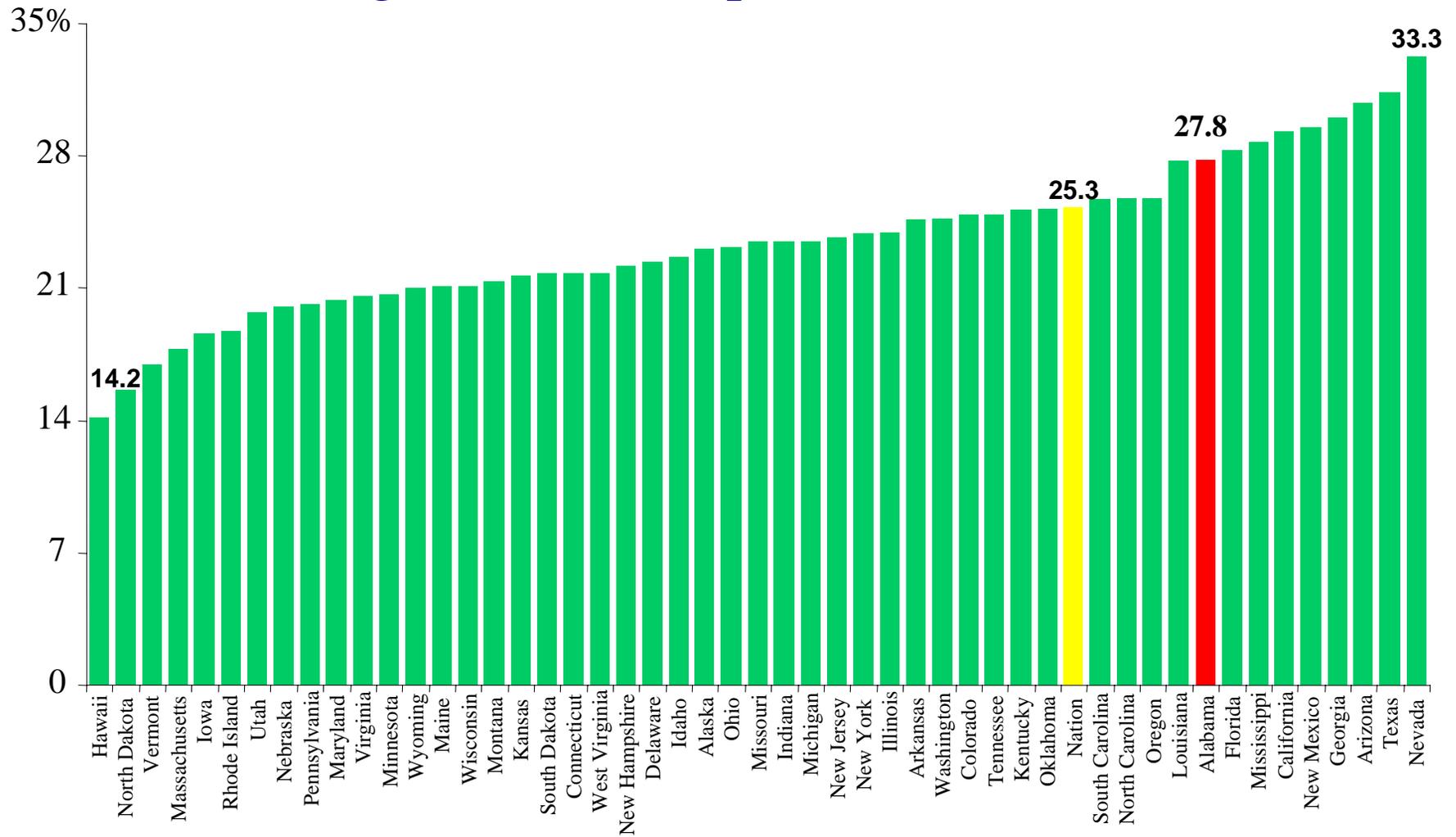
Source: U.S. Census Bureau, 2000 Census; 5% Public Use Microdata Sample (PUMS) Files



# Education Attainment of Population Age 18-24

How Well Educated Are Alabama's  
Youth?

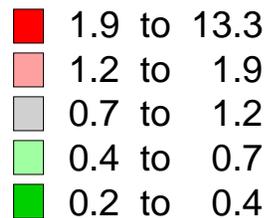
# Percent of State Total, Population Age 18-24 Without a High School Diploma, 2000



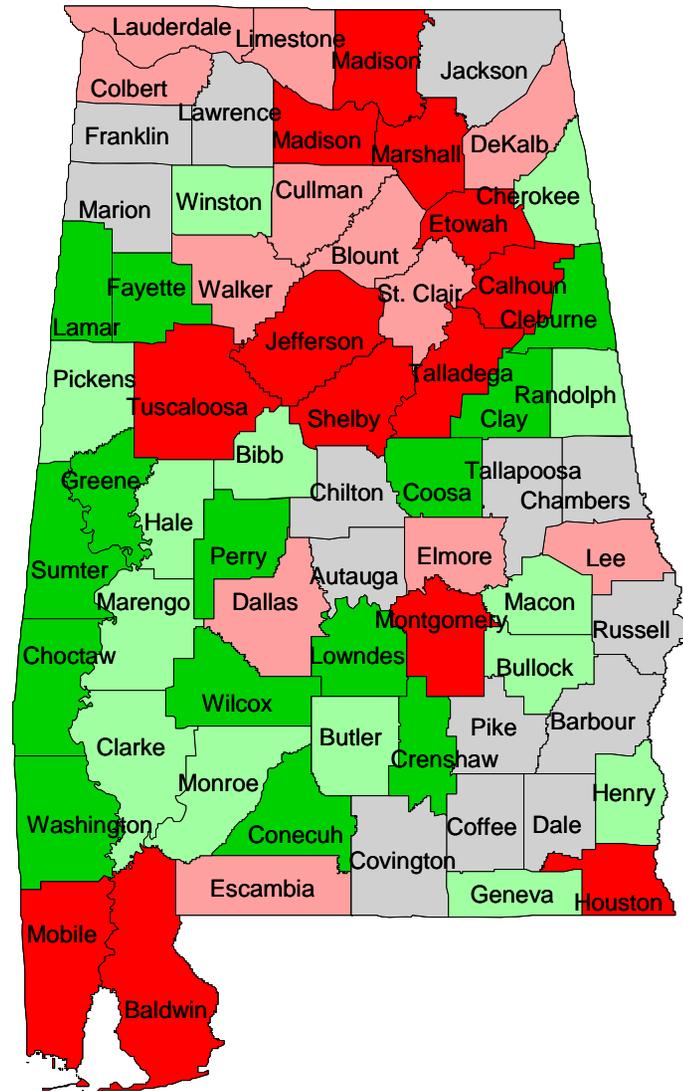
Source: US Census Bureau, 2000

# Percent of State Total, Population Age 18-24 Without a High School Diploma, 2000

Percent of state total



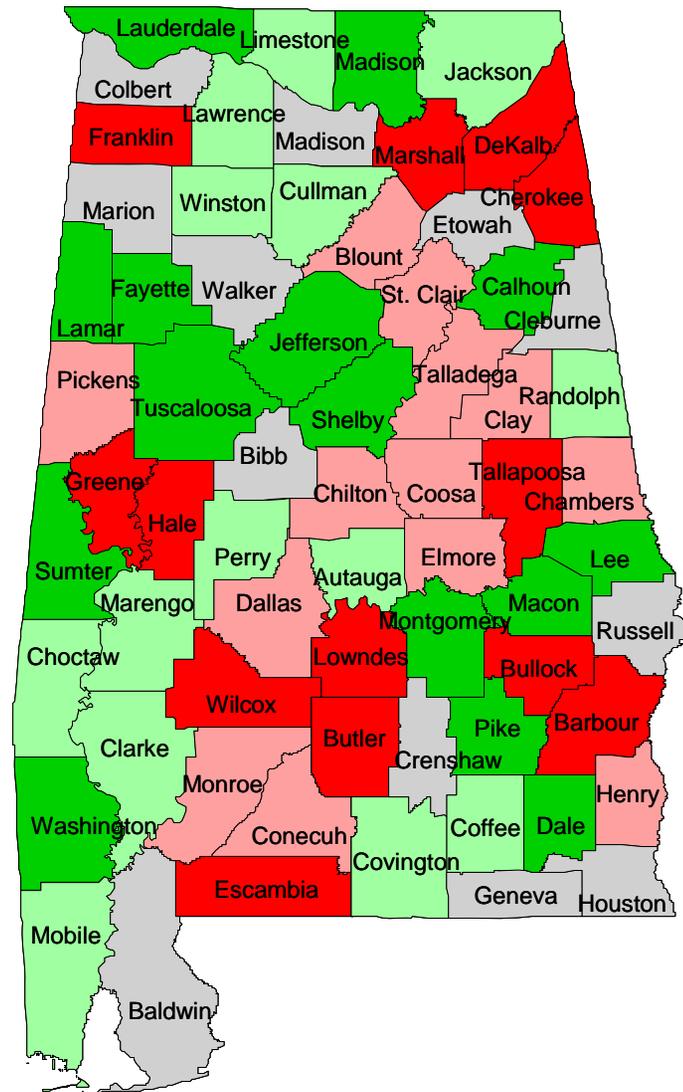
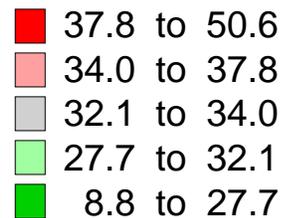
Total population ages 18-24 without  
A high school diploma or equivalent was 107,290  
In 2000



Source: U.S. Census Bureau, 2000 Census

# Percent of Population Age 18-24 Without a High School Diploma, 2000

Percent in each county



Alabama = 27.8%

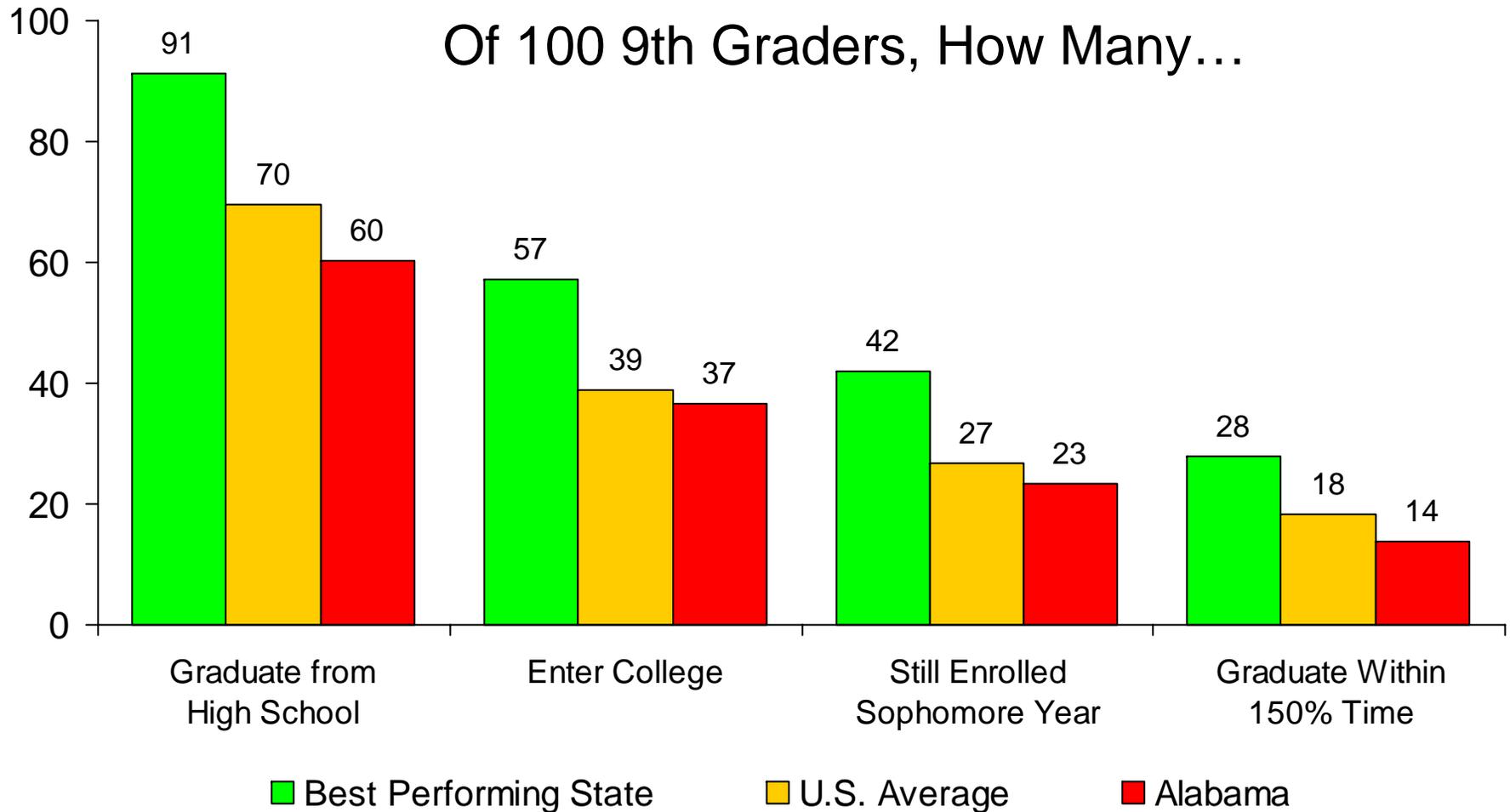
Source: U.S. Census Bureau, 2000 Census



# Education Pipeline

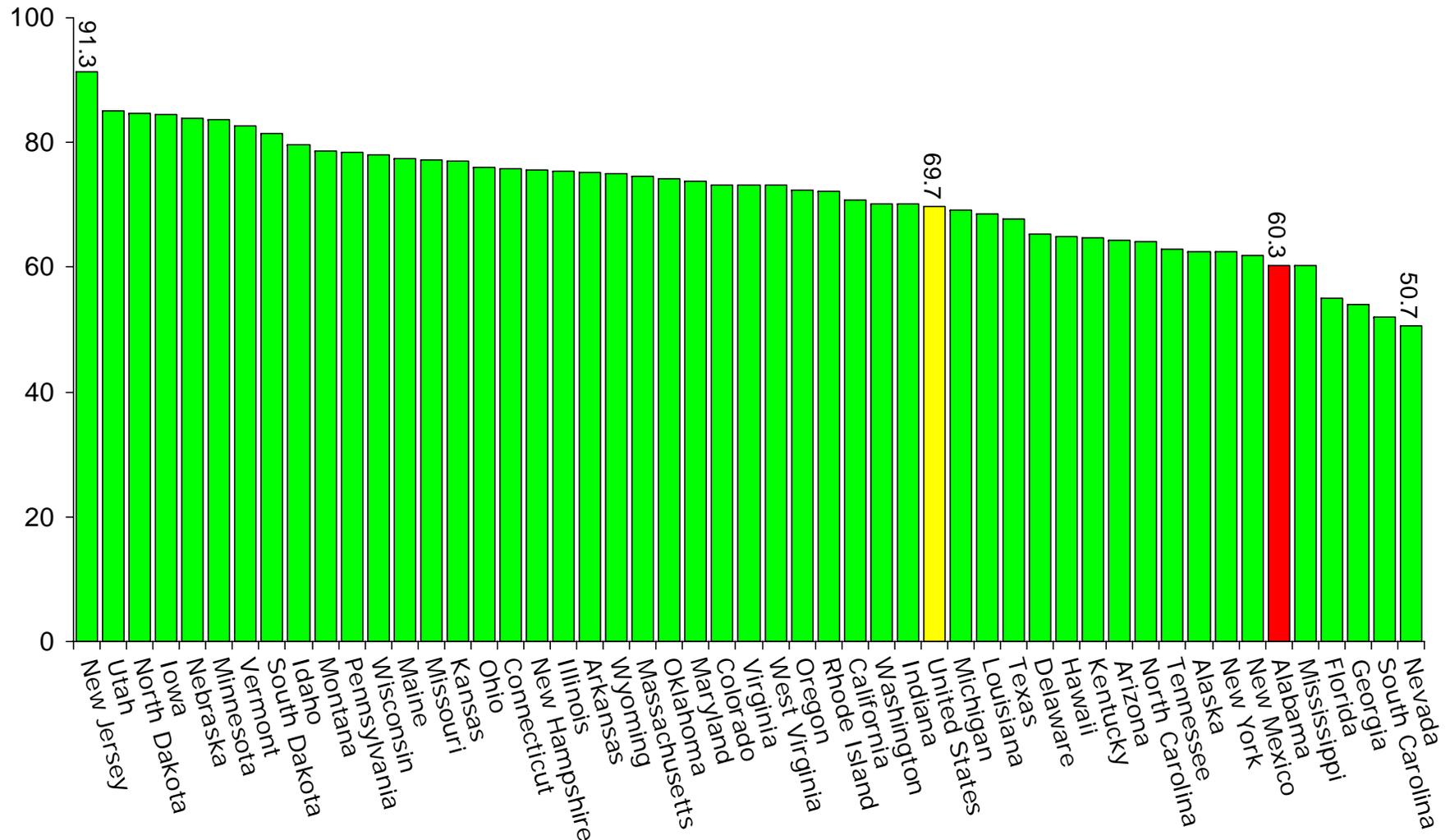
How Does the Progress of Alabama  
Students Through the Education Pipeline  
Compare With Other States?

## *Student Pipeline—Alabama, 2004*



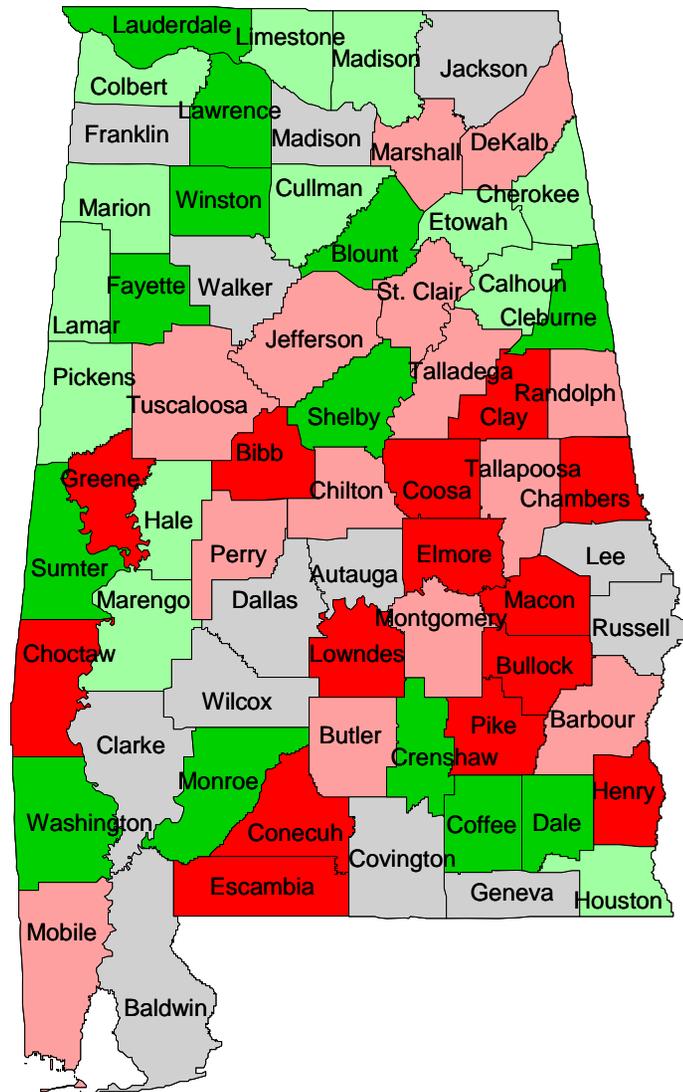
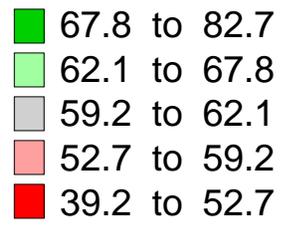
Source: NCES Common Core Data, NCES IPEDS 2004 Residence and Migration Survey, NCEC IPEDS 2004 Fall Enrollment Survey and Graduation Rate Survey

## High School Graduation Rates—Public High School Graduates as a Percent of 9th Graders Four Years Earlier, 2004



Source: Tom Mortenson, Postsecondary Opportunity (rev. 071106)

# High School Diploma Recipients (2004) as a Percent of 9th Graders Four Years Earlier, 2005



Source: National Center for Education Statistics, Common Core of Data



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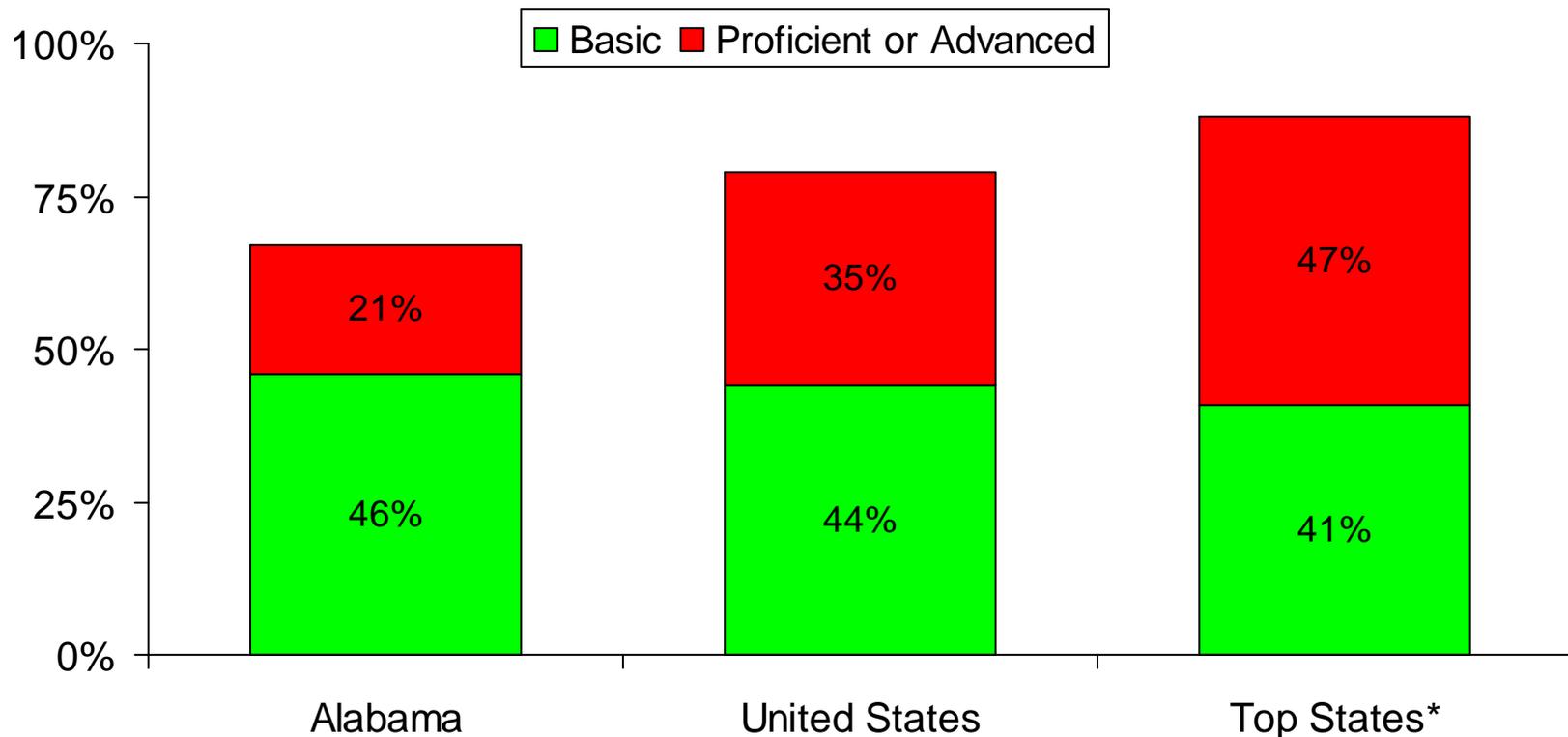
# Preparation

Are Alabama Students Prepared for  
College-Level Learning and a Job in a  
High-Skill Economy?

“College Begins in Kindergarten”, Kati Haycock, Education Trust

# Are Elementary School Students Achieving “Proficiency” in Math?

4th Grade Math Achievement (NAEP 2005)

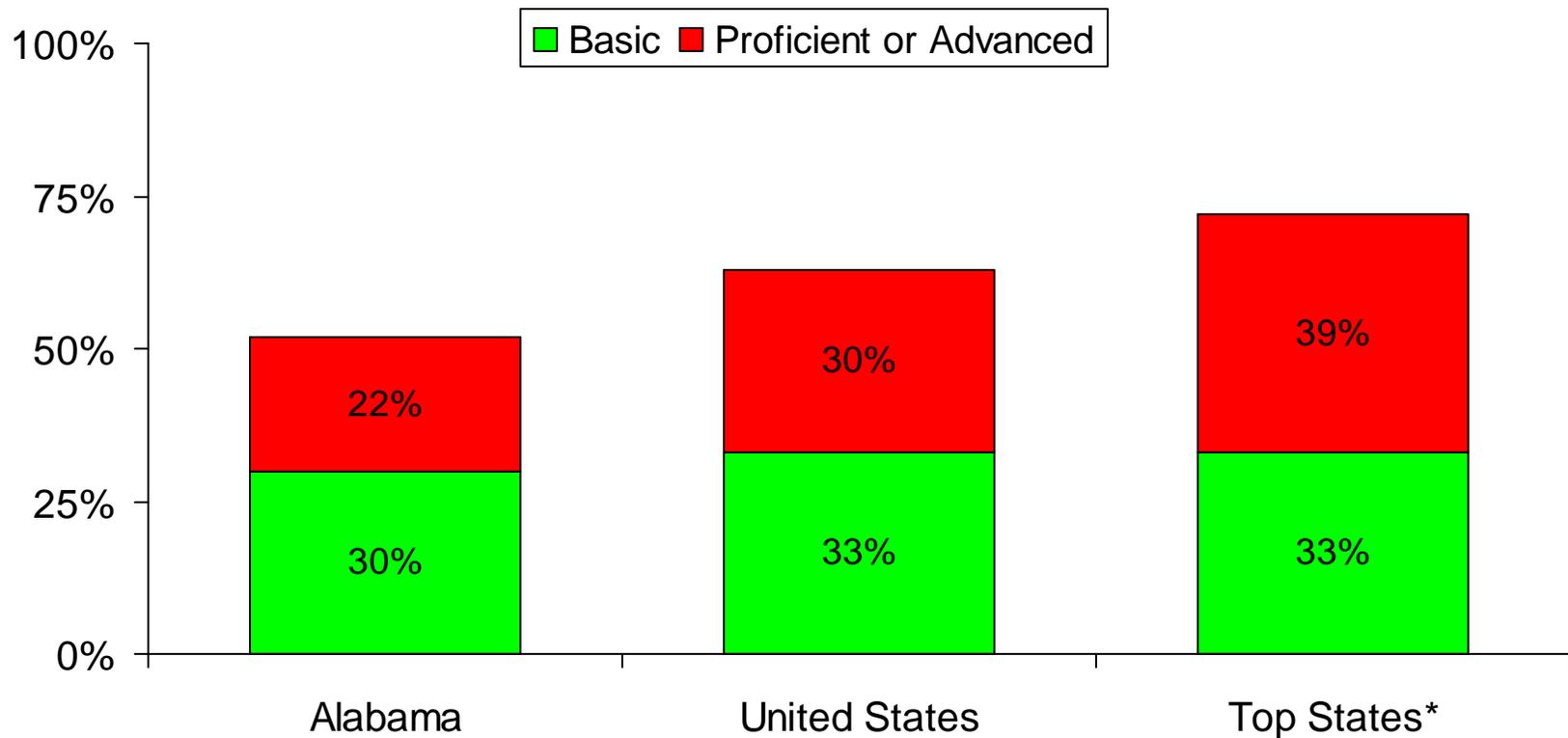


\* Median of top five states in percent proficient or advanced

Source: National Assessment of Educational Progress (NAEP). Analysis of data downloaded from [www.nces.ed.gov/nationsreportcard/nde/](http://www.nces.ed.gov/nationsreportcard/nde/).

# *Are Elementary School Students Achieving “Proficiency” in Reading?*

4th Grade Reading Achievement (NAEP 2005)

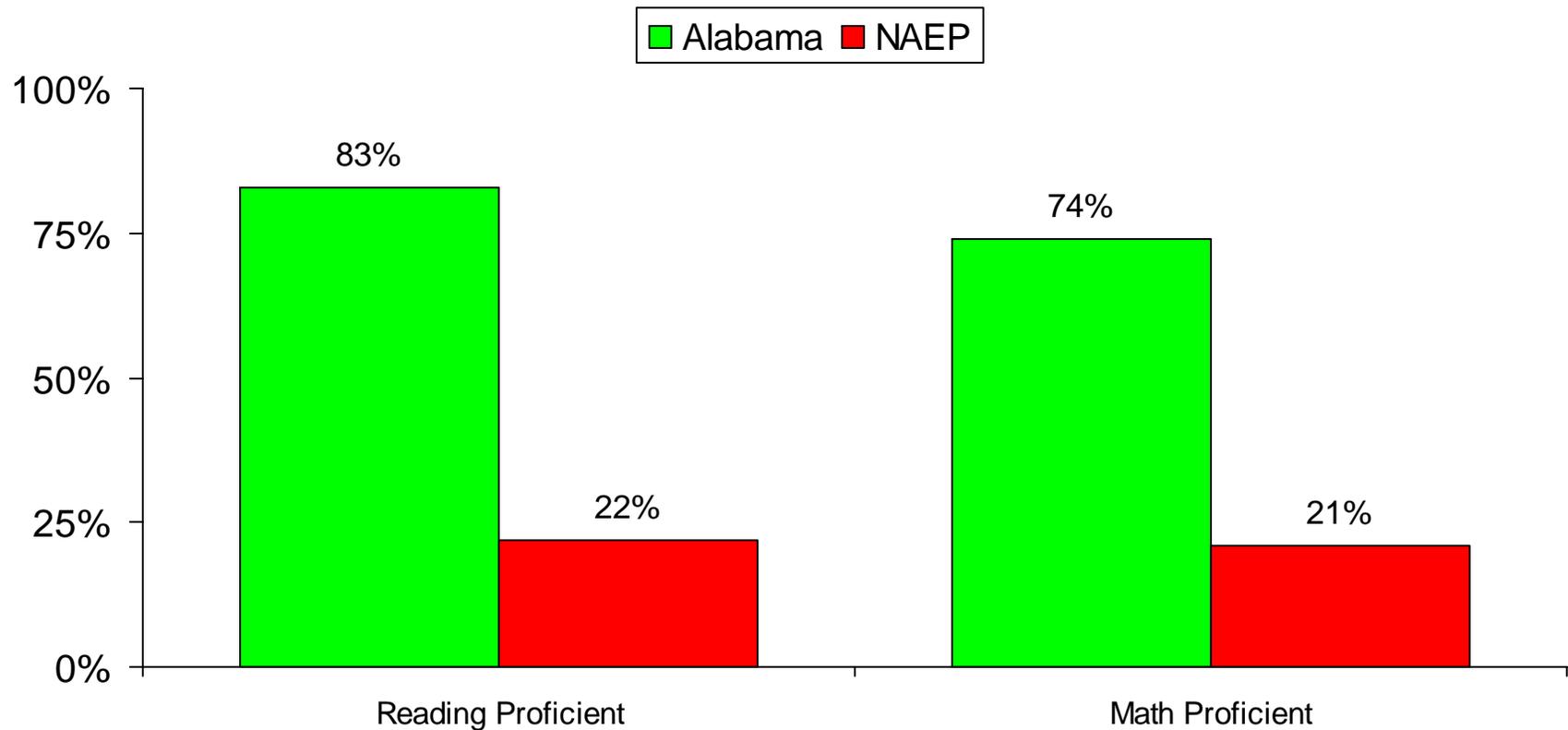


\* Median of top five states in percent proficient or advanced

Source: NAEP. Analysis of data downloaded from [www.nces.ed.gov/nationsreportcard/nde/](http://www.nces.ed.gov/nationsreportcard/nde/).

# *Is There a Gap Between Achievement on State Assessments and NAEP?*

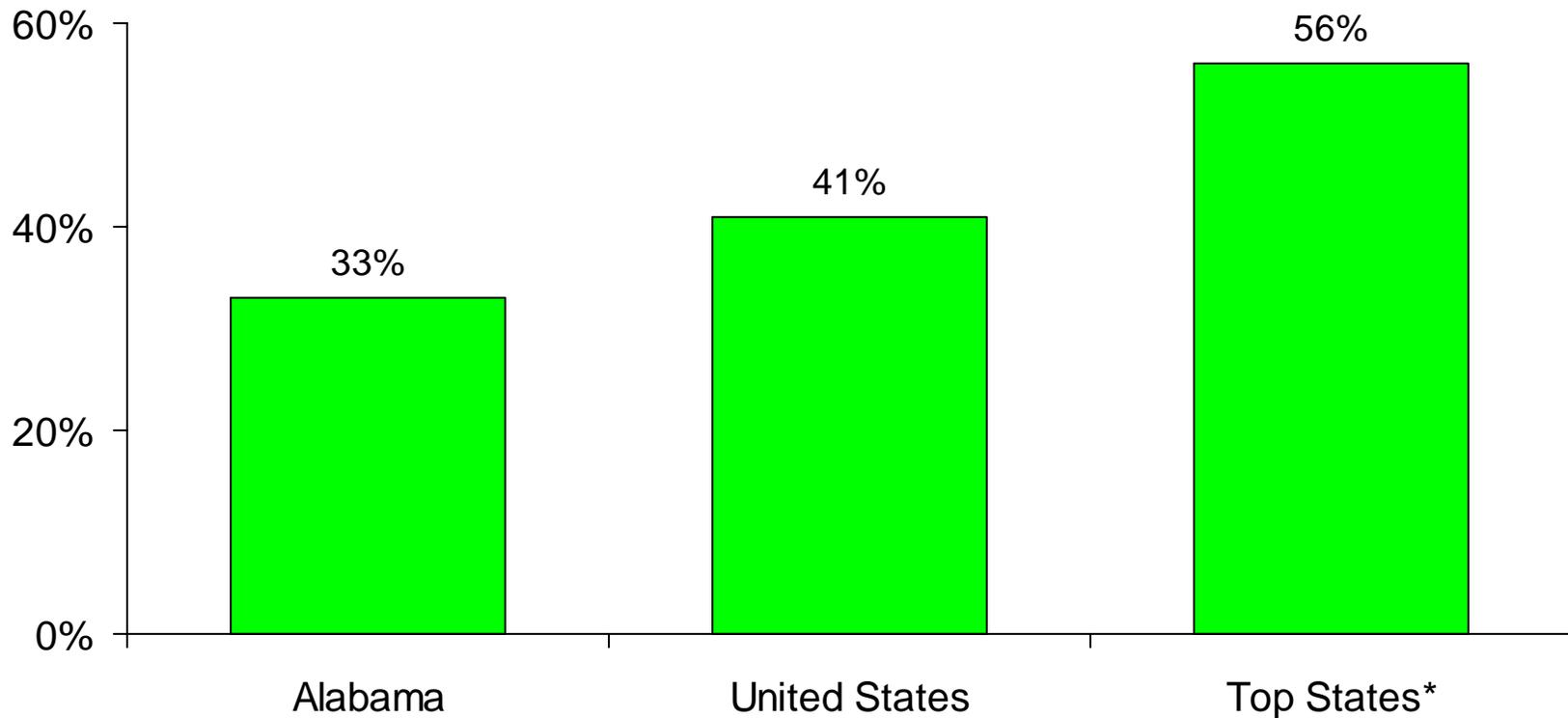
4th Grade Achievement on State Assessment vs. NAEP (2005)



Source: NAEP. Analysis of data downloaded from [www.nces.ed.gov/nationsreportcard/nde/](http://www.nces.ed.gov/nationsreportcard/nde/) and "2005 Chief State School Officer's Report for Alabama Reading and Mathematics Test" at [www.alsde.edu/Accountability/preAccountability.asp](http://www.alsde.edu/Accountability/preAccountability.asp).

## *Are Students Taking “Gateway” Courses?*

Percent of 8th Graders Taking Algebra, Algebra 2, or Geometry (2005)

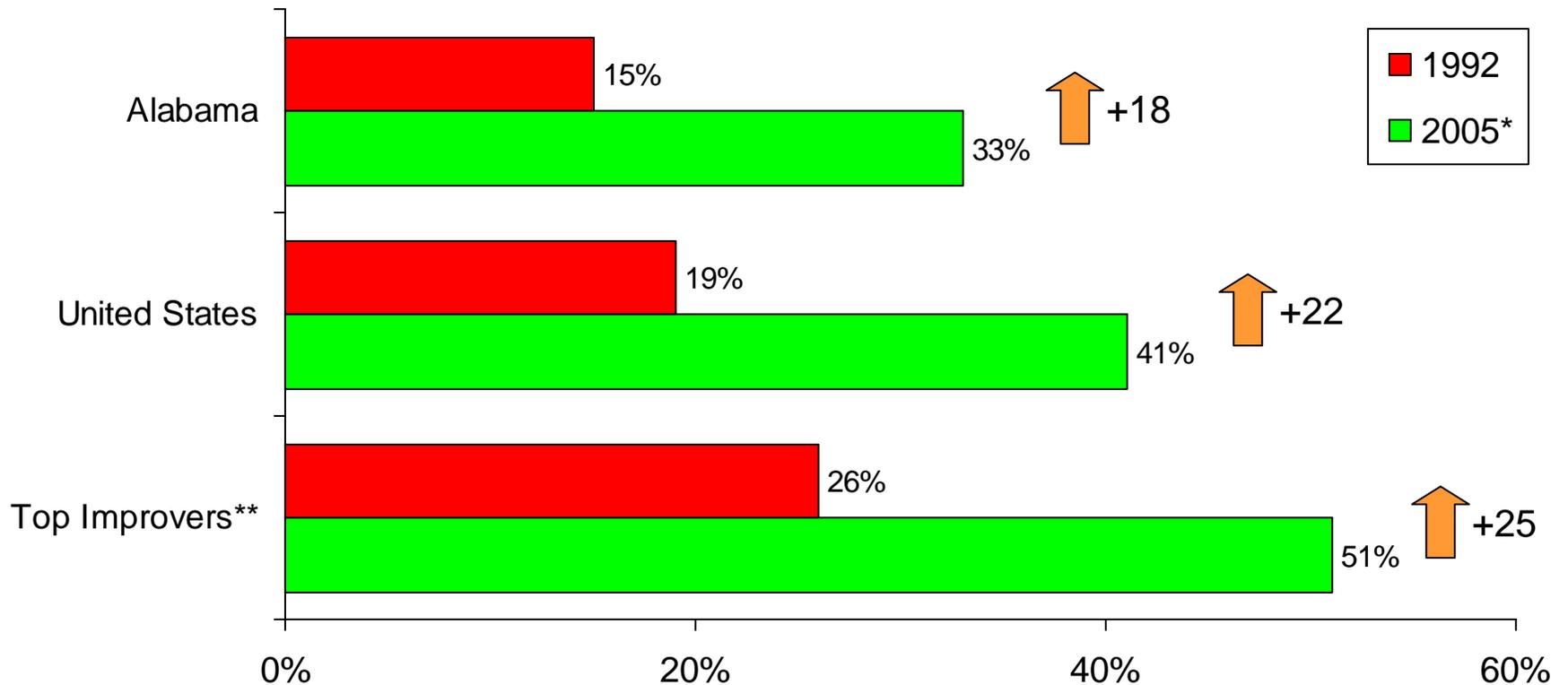


\* Median of top five states

Source: Analysis of data from [www.nces.ed.gov/nationsreportcard/nde/](http://www.nces.ed.gov/nationsreportcard/nde/).

# Are More Students Taking Gateway Courses Over Time?

## 8th Graders Taking Algebra (1992-2005)

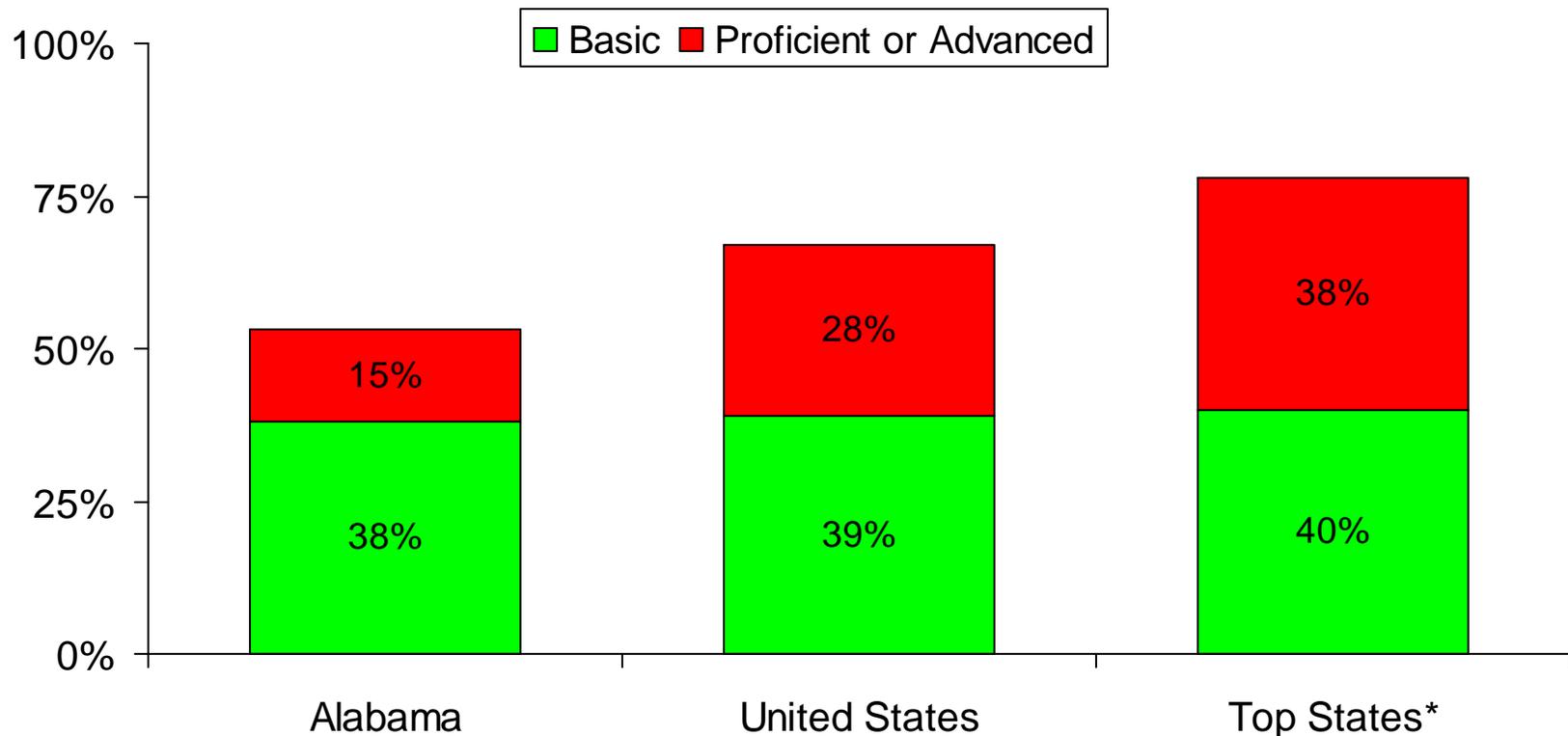


\* Includes students taking Algebra, Algebra 2 or Geometry

\*\* Median of top five improvers

# *Are Middle School Students Achieving “Proficiency” in Math?*

8th Grade Math Achievement (NAEP 2005)

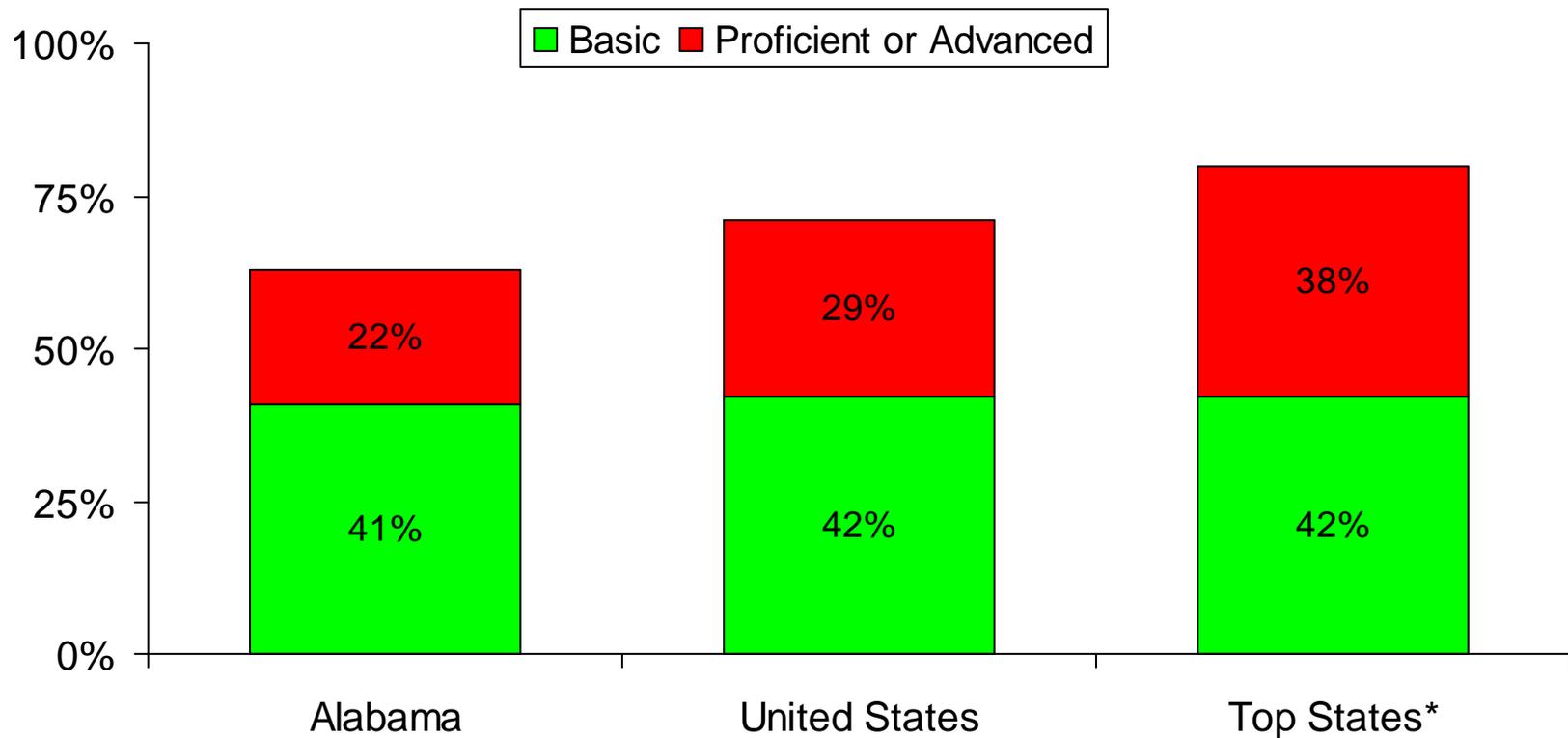


\* Median of top five states in percent proficient or advanced

Source: NAEP. Analysis of data downloaded from [www.nces.ed.gov/nationsreportcard/nde/](http://www.nces.ed.gov/nationsreportcard/nde/).

# *Are Middle School Students Achieving “Proficiency” in Reading?*

8th Grade Reading Achievement (NAEP 2005)

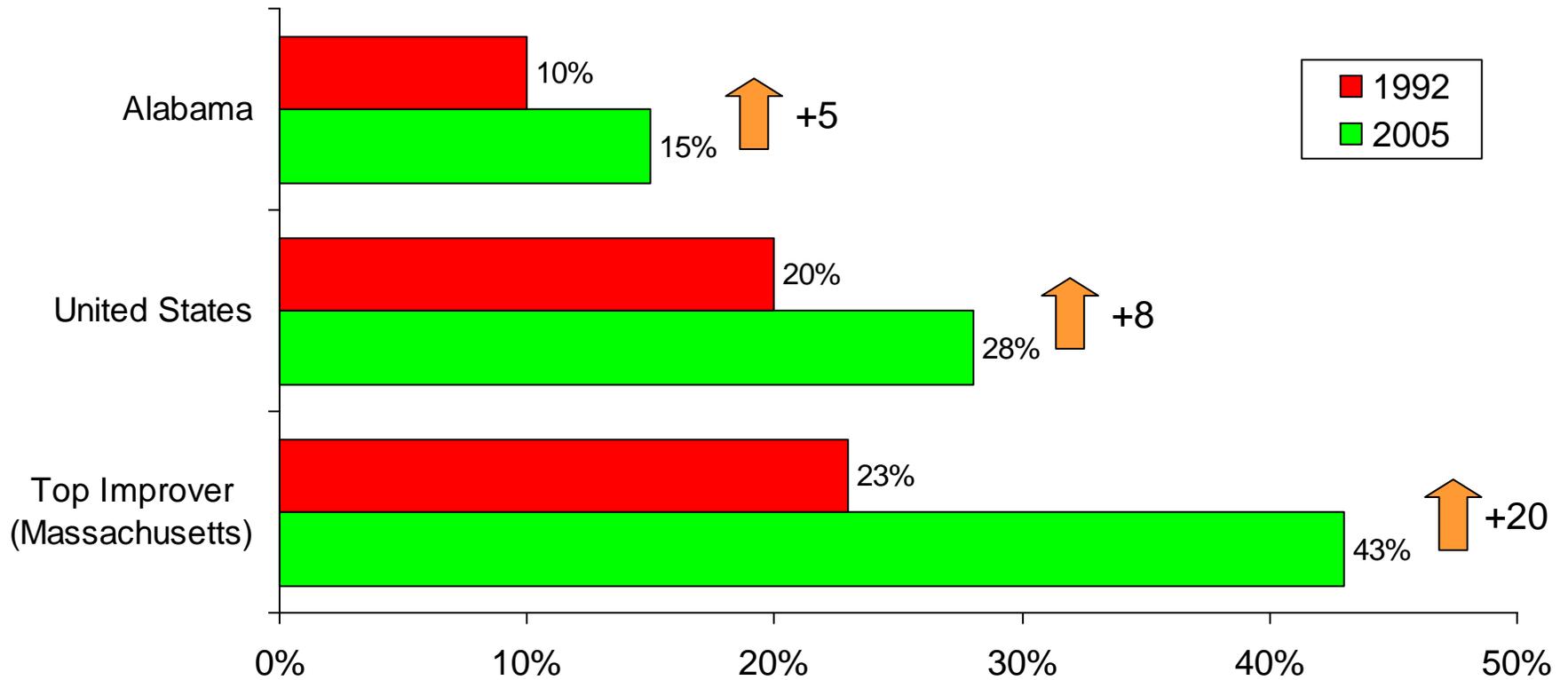


\* Median of top five states in percent proficient or advanced

Source: NAEP. Analysis of data downloaded from [www.nces.ed.gov/nationsreportcard/nde/](http://www.nces.ed.gov/nationsreportcard/nde/).

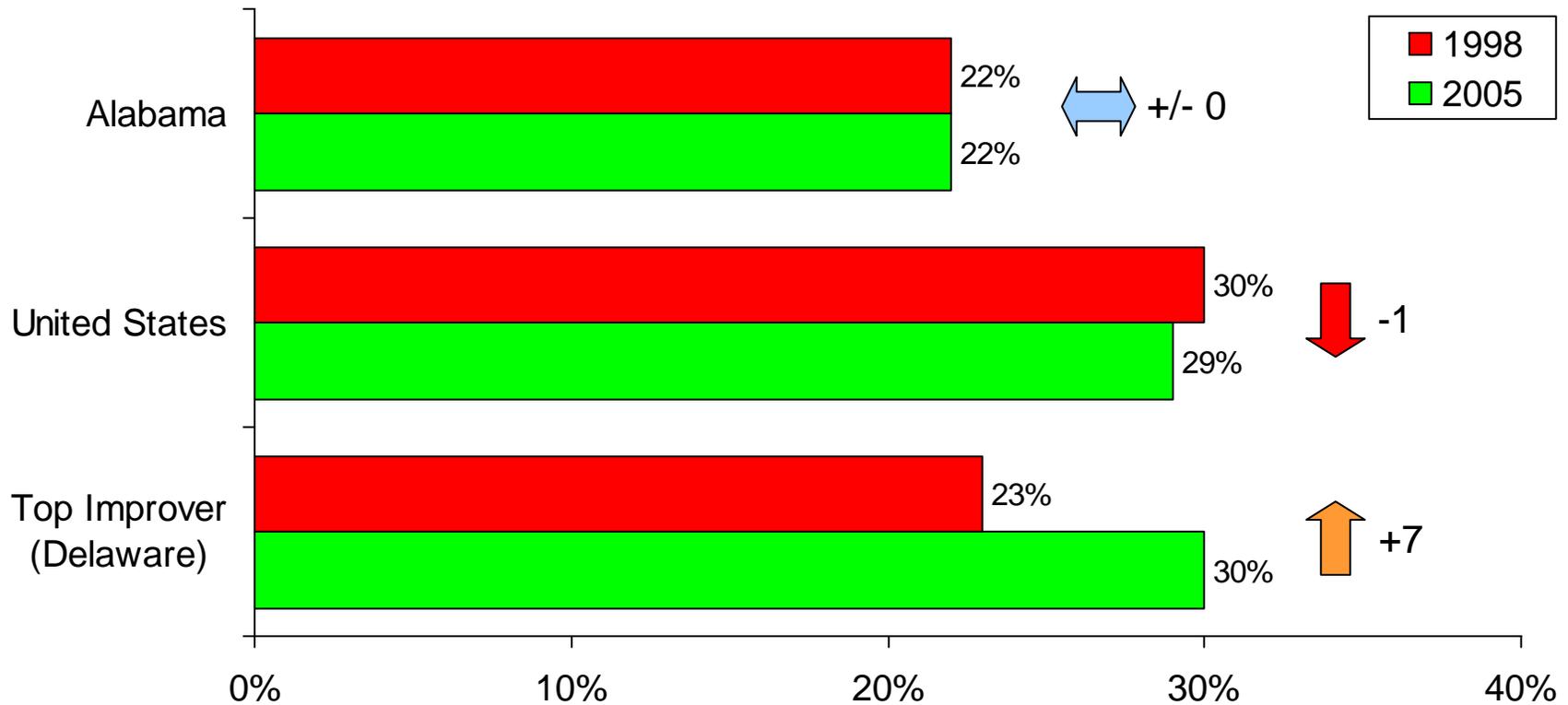
# *Is Math Achievement Improving?*

8th Graders Scoring At or Above Proficient  
in NAEP Math (1992-2005)



# *Is Reading Achievement Improving?*

8th Graders Scoring At or Above Proficient  
in NAEP Reading (1998-2005)

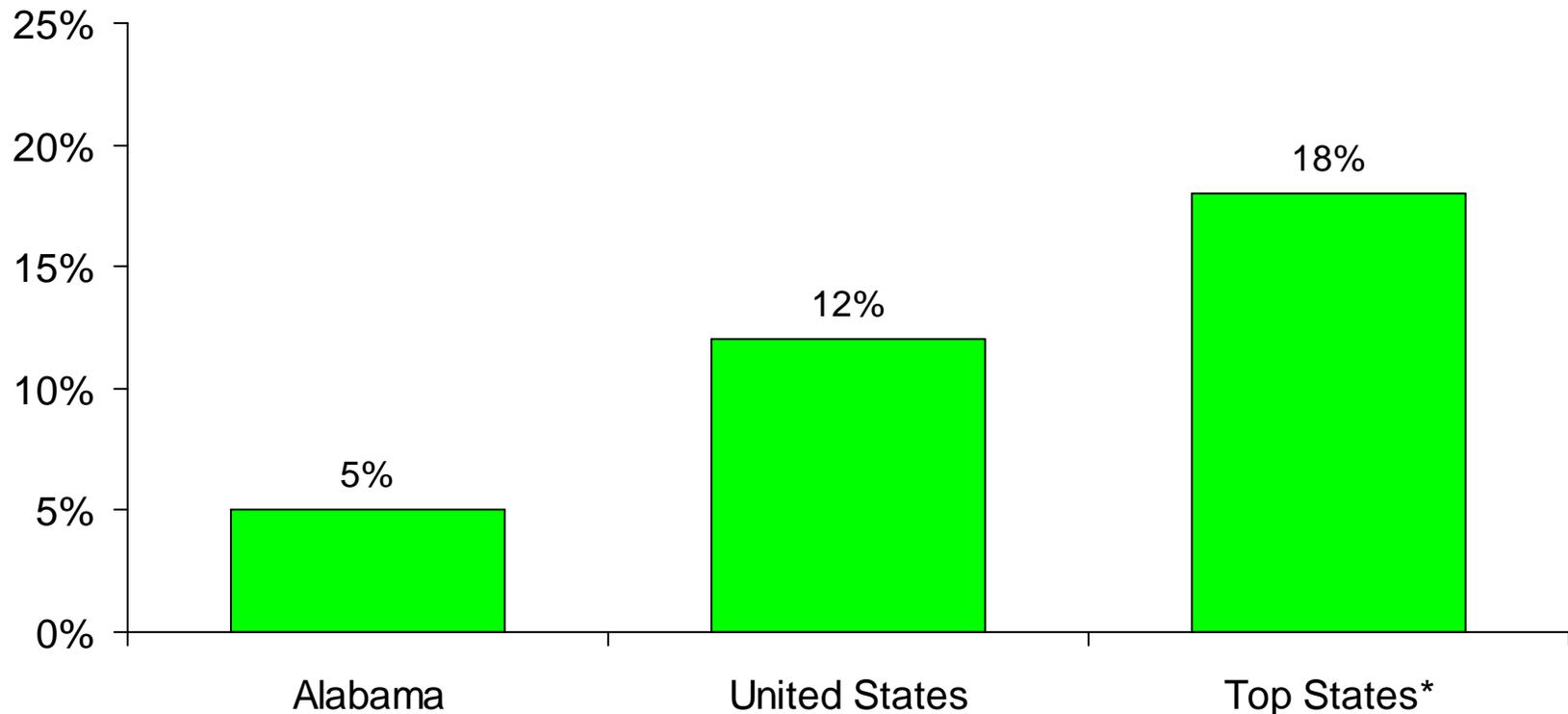




# Advanced Placement (AP) Exams

# *Are Students Participating in Advanced Placement Courses?*

11th and 12th Graders Taking AP Exams (2004)



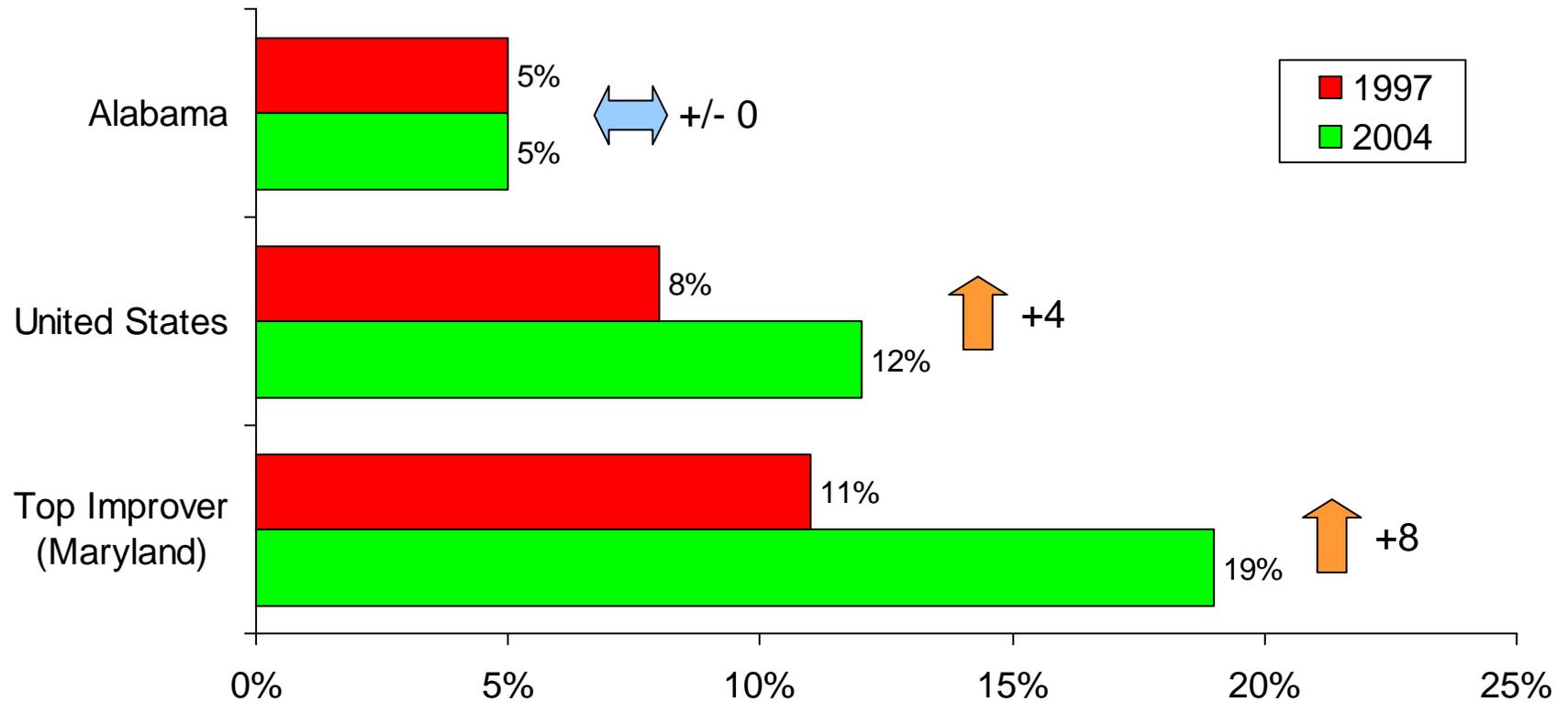
\* Median of top five states

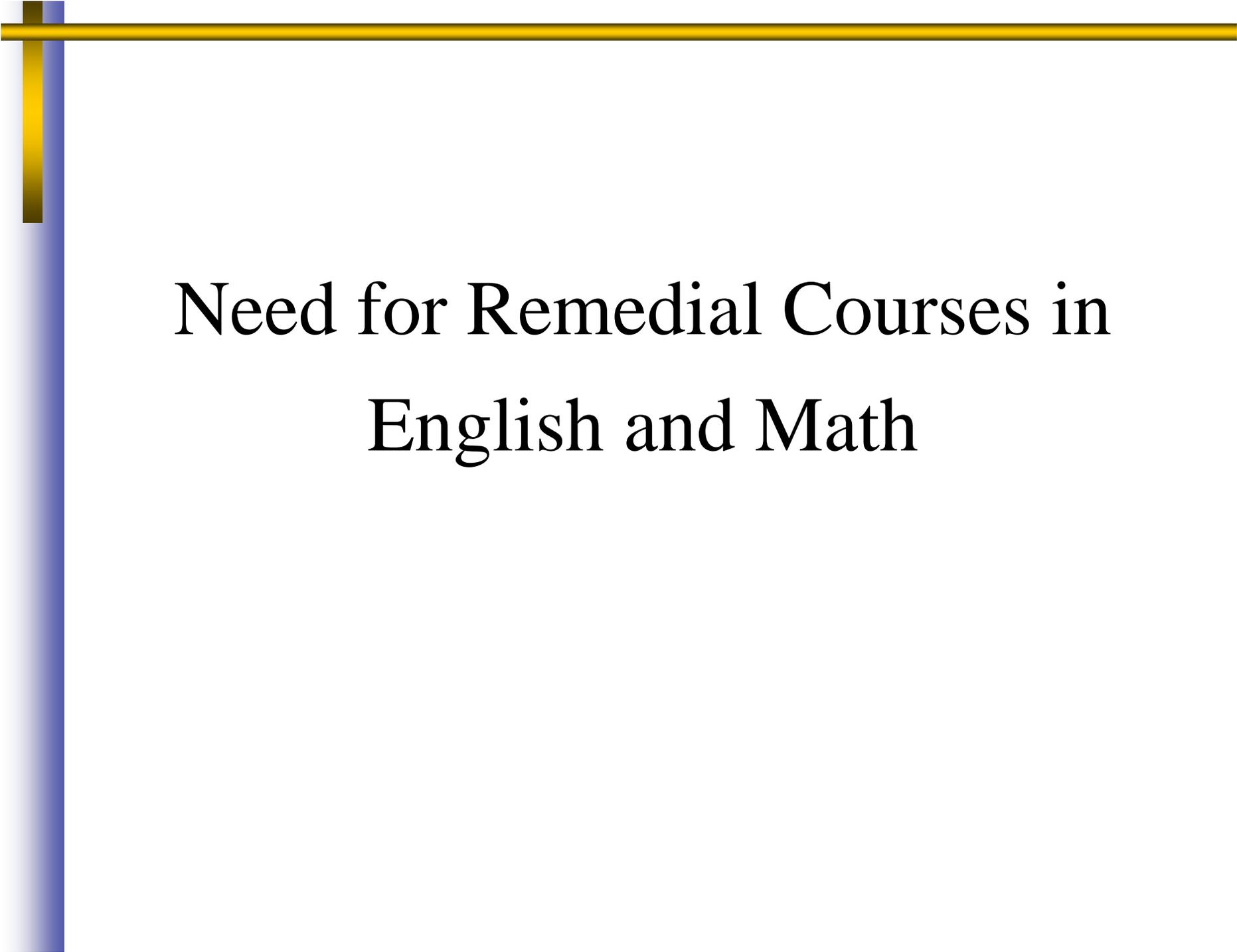
Note: Includes public school students only.

Source: Analysis of data from College Board AP Summary Reports for 2004 and NCES Common Core of Data.

# Are More Students Participating in AP Over Time?

11th and 12th Graders Taking AP Exams (1997-2004)

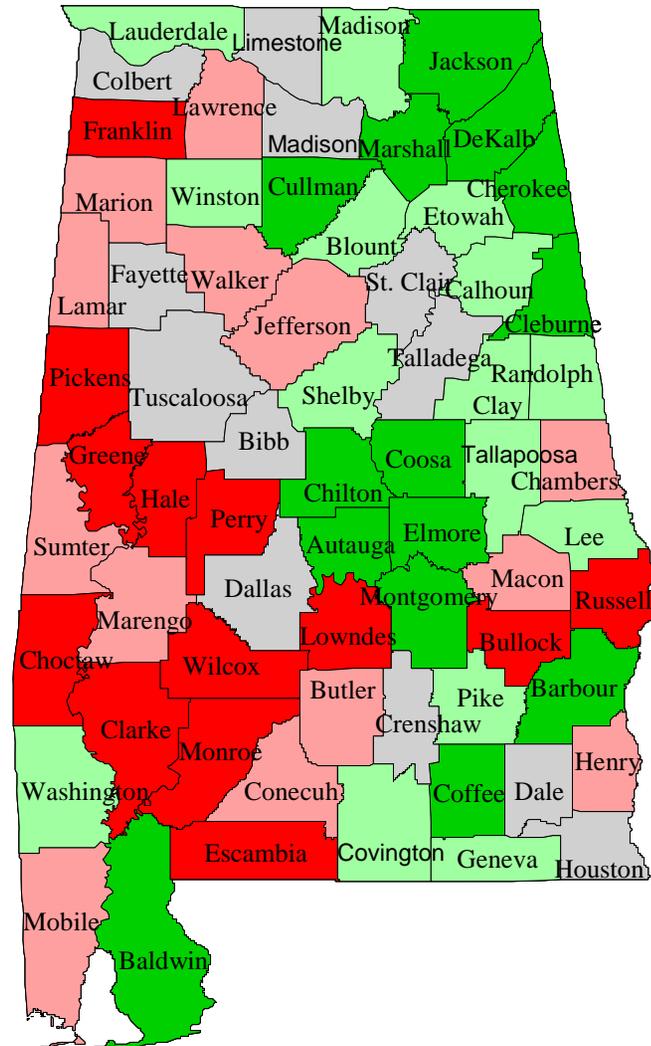
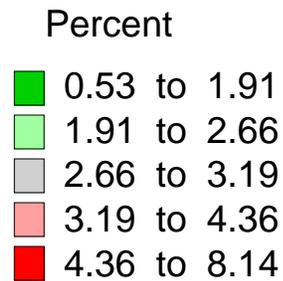




# Need for Remedial Courses in English and Math

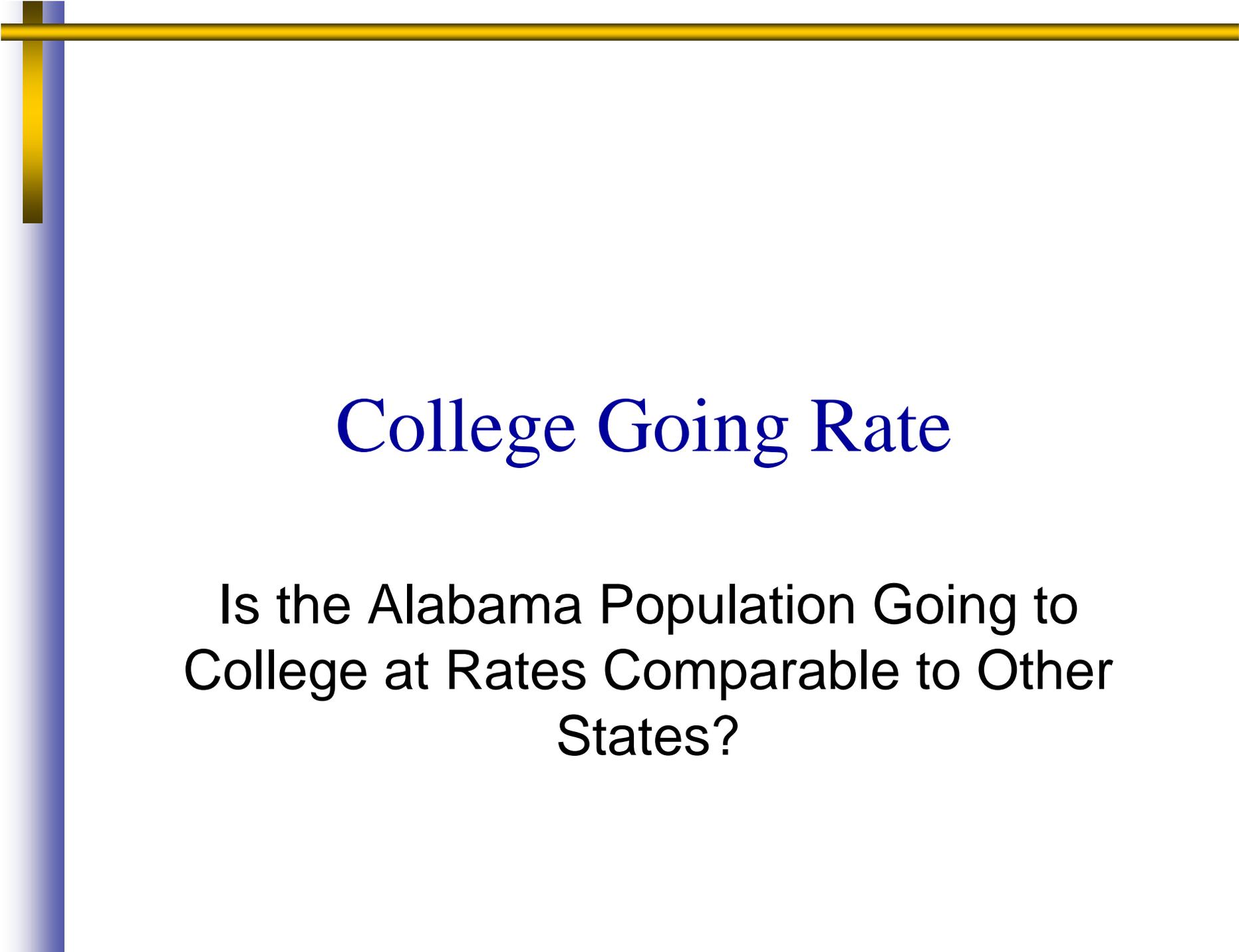
# Percent of Undergraduate Students Taking Both Remedial English and Remedial Math, Fall 2004

**Note: Preliminary Data**  
**Definition of Need for**  
**Remediation Variations**  
**Among Institutions**



Alabama = 2.67%

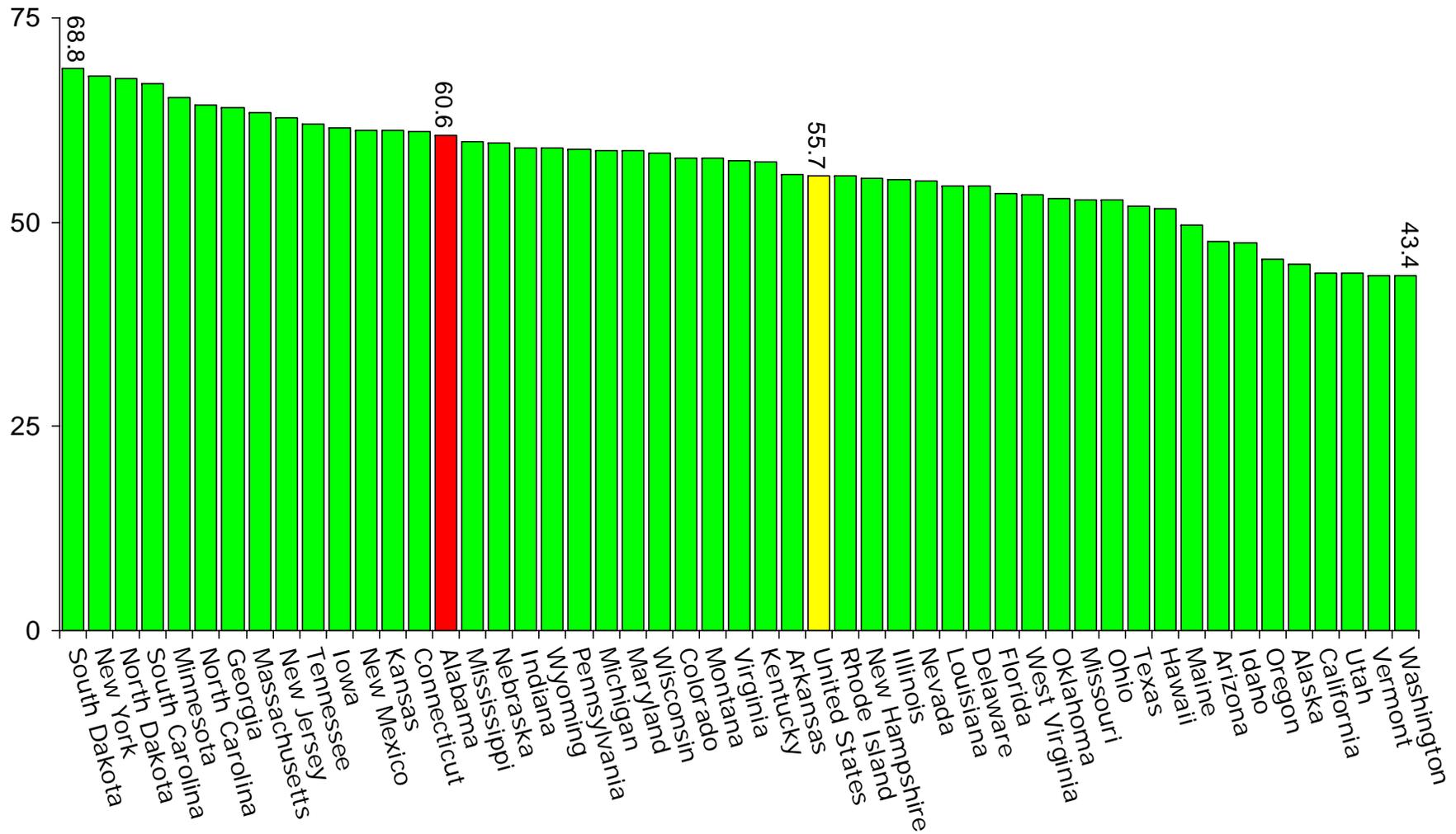
Source: Alabama Statewide Student Database



# College Going Rate

Is the Alabama Population Going to  
College at Rates Comparable to Other  
States?

## College Going Rates—First-Time Freshmen Directly Out of High School as a Percent of Recent High School Graduates, 2004

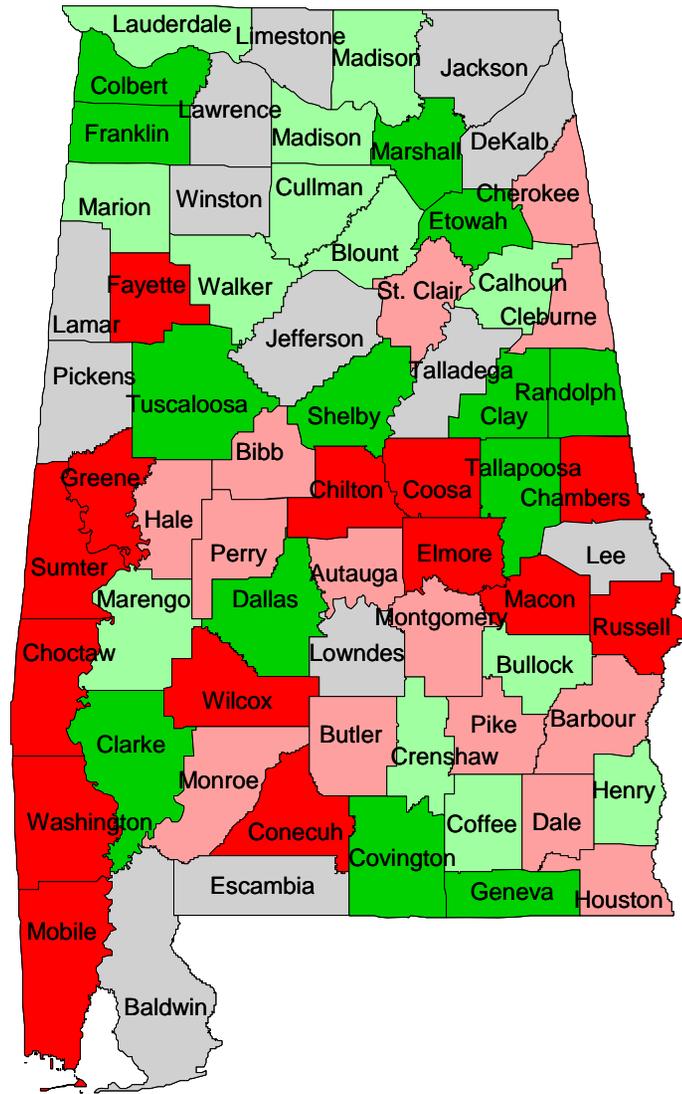
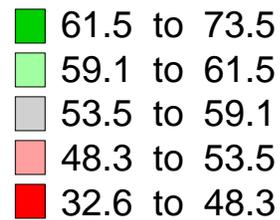


Source: NCES; Common Core Data, Private High Schools Survey, Fall Residency and Migration Survey

# Alabama Colleges And Universities

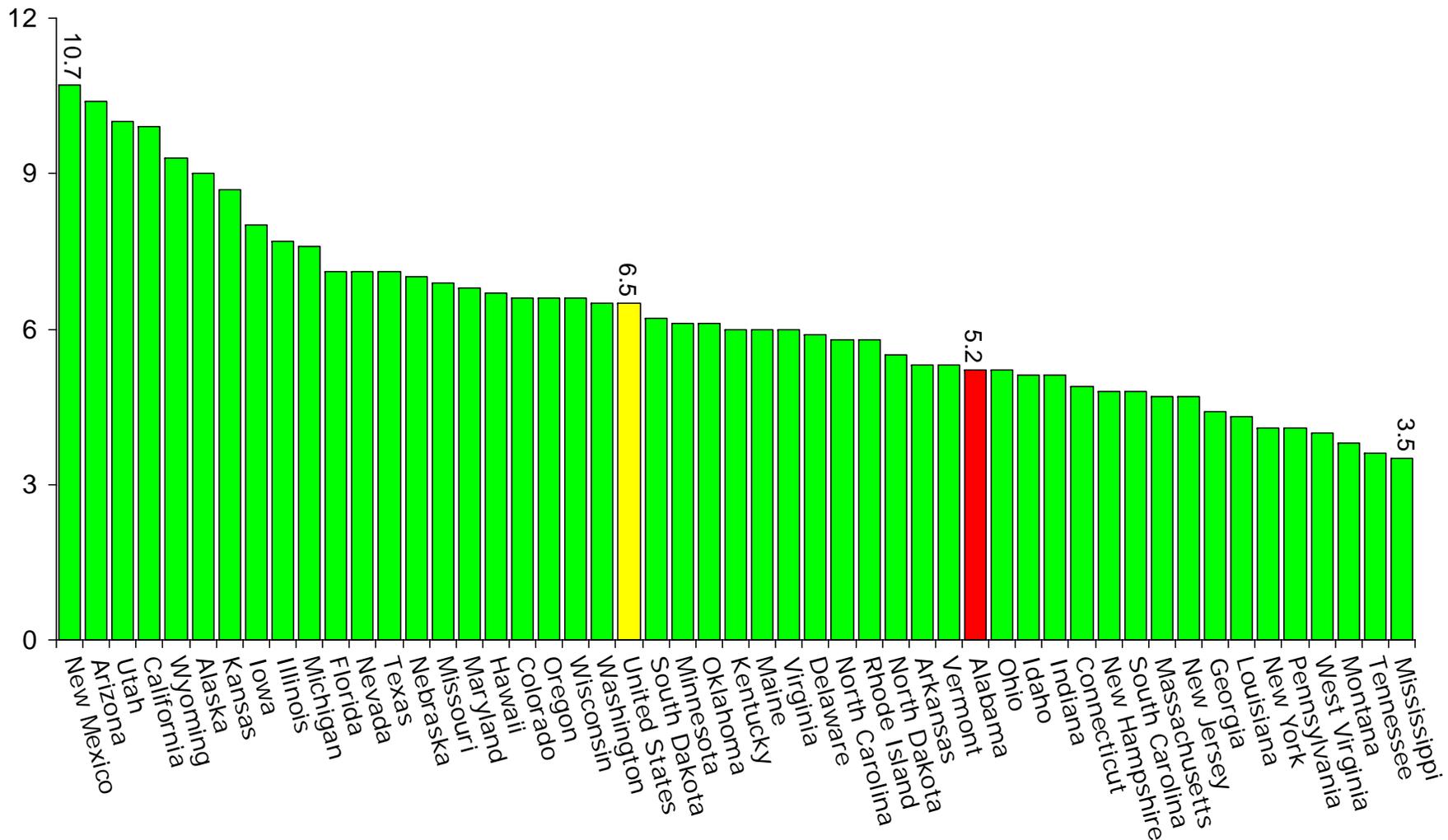


# *First-Time Undergraduates as a Percent of High School Graduates*



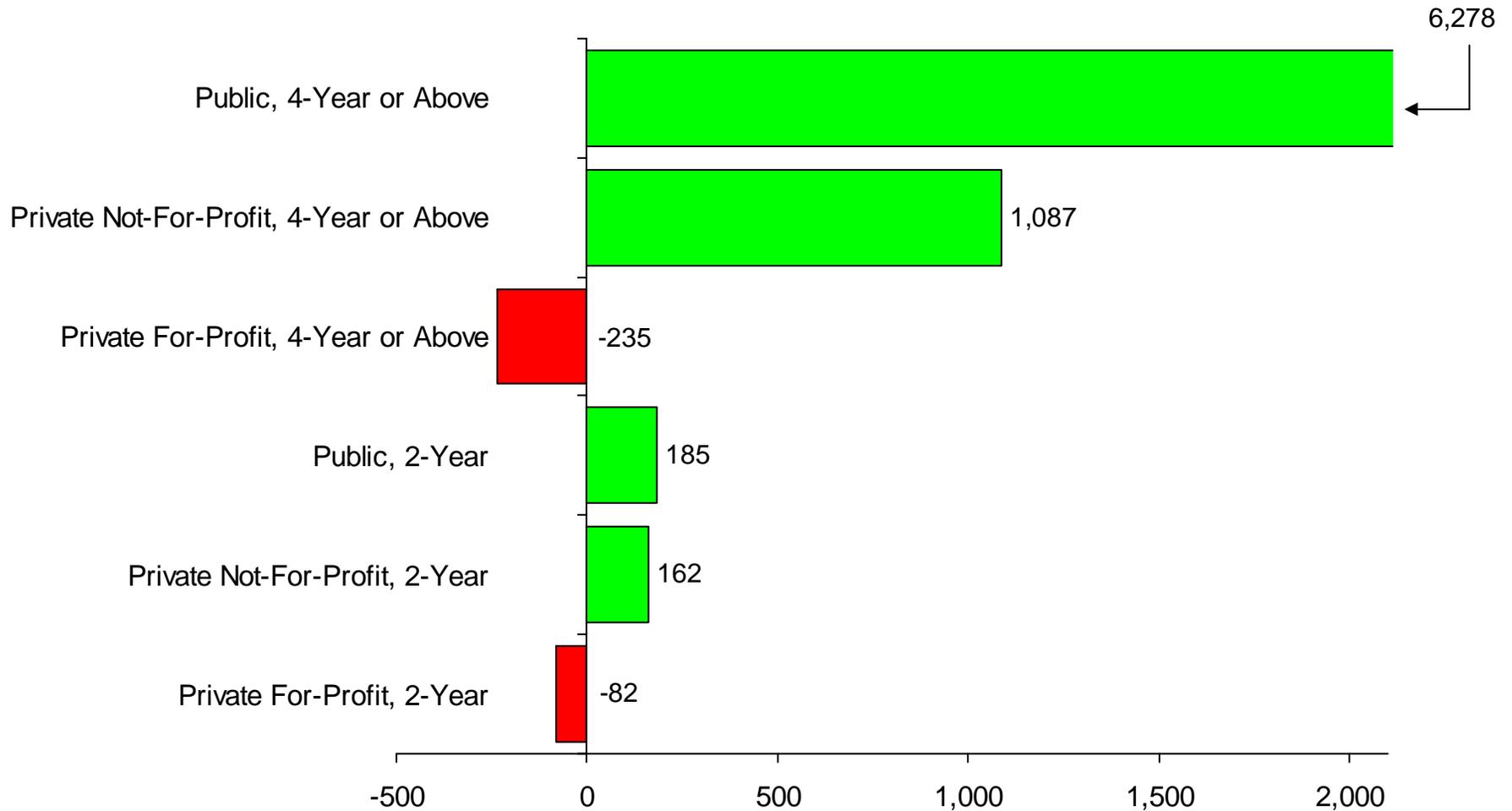
Source: Alabama Commission on Higher Education

# Part-Time Undergraduate Enrollment as a Percent of Population Age 25-44, 2004



Source: NCES, IPEDS, U.S. Census Bureau

# *Net Migration of First-Time Freshmen by Sector, Fall 2004*



Source: NCES, IPEDS Residency and Migration Survey, 2004

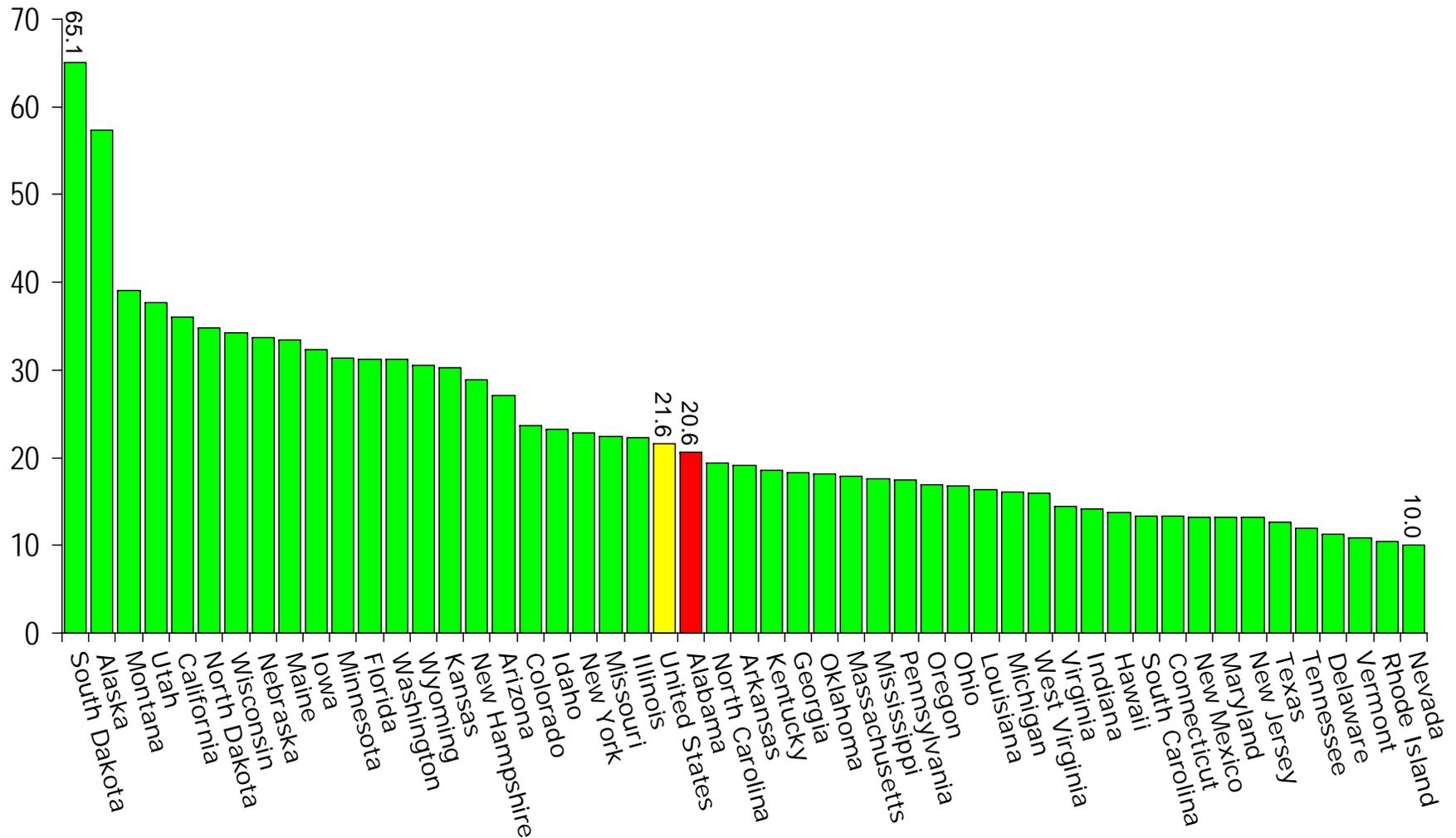


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# Completion

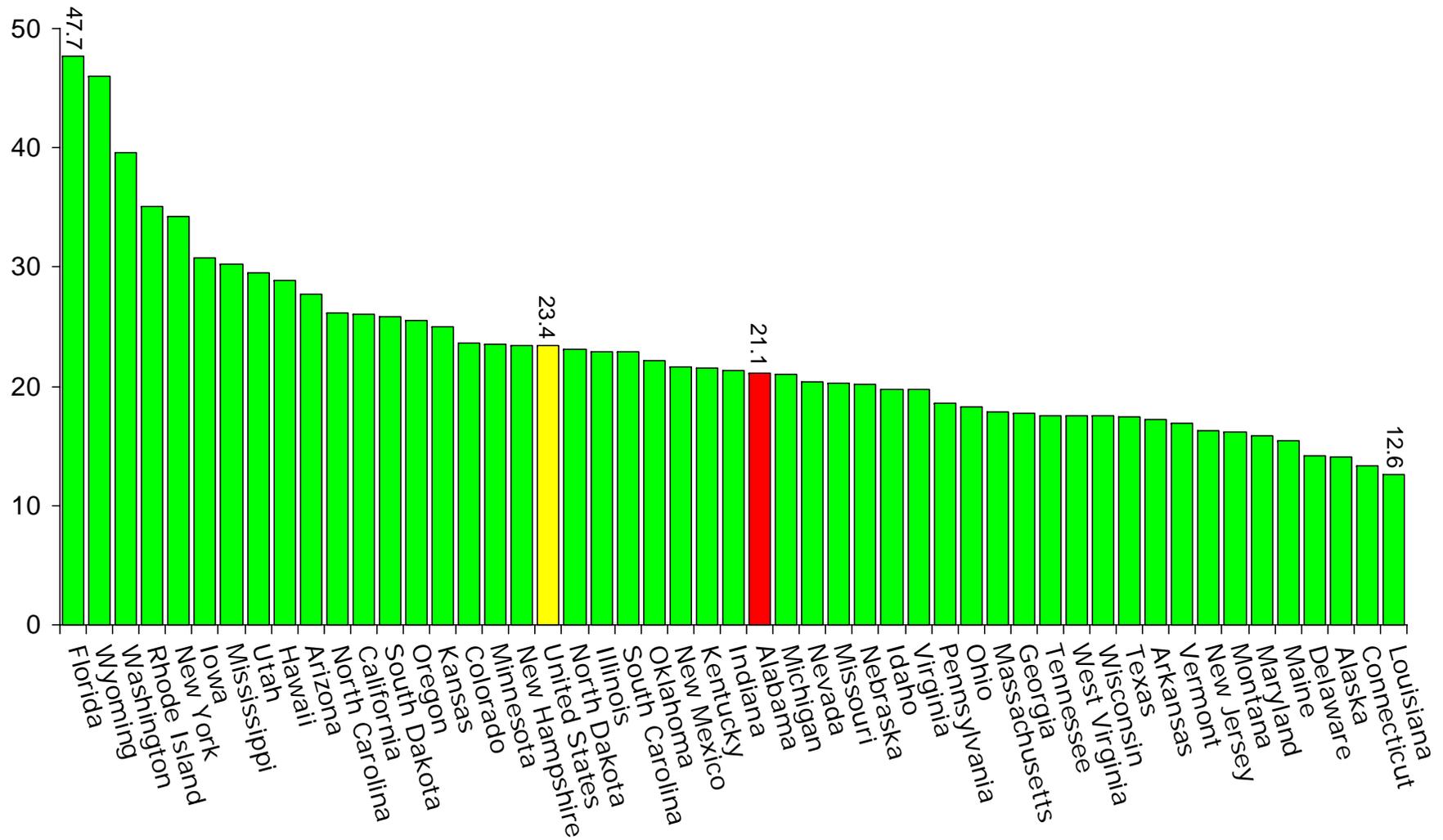
Are Alabama Students Completing  
Degrees and Certificates at the Higher  
Education Level at Rates Comparable to  
Other States?

# Three-Year Graduation Rates at Public Two-Year Colleges (Percent), 2005



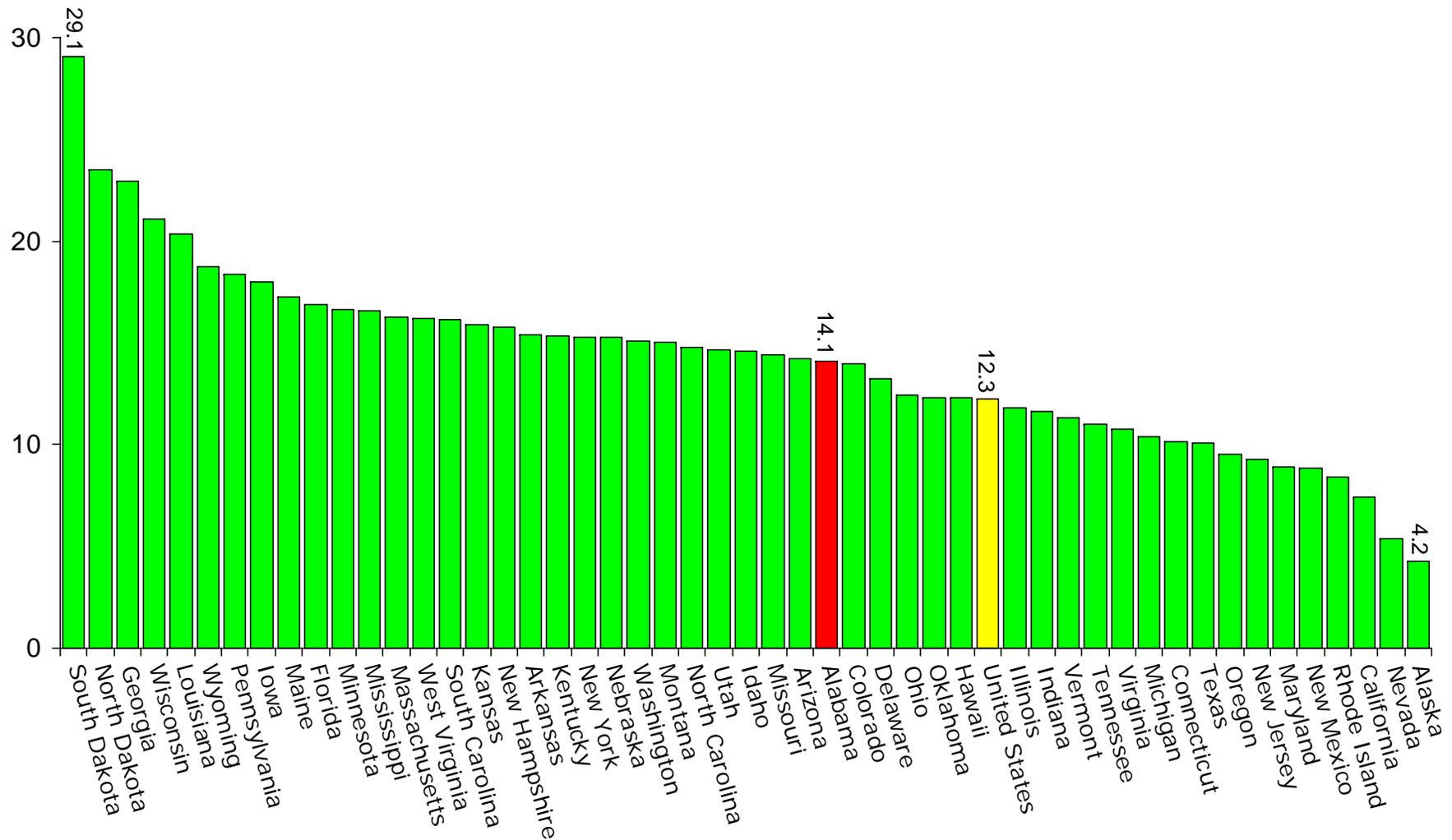
Source: NCES, IPEDS Graduation Rate Survey

# Associate Degrees Awarded per 100 High School Graduates Three Years Earlier, 2004



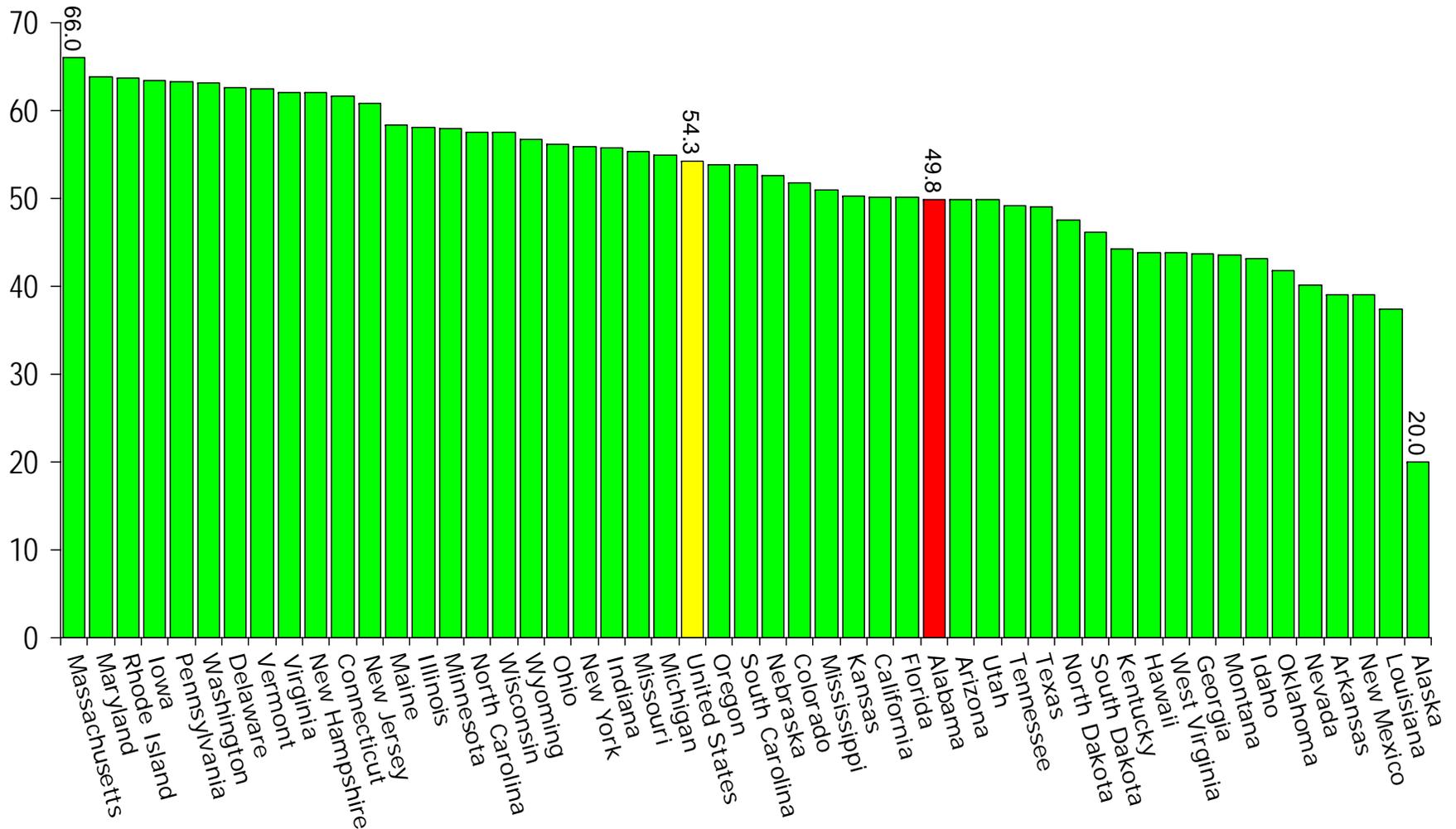
Source: NCES, IPEDS Completions Survey, WICHE

# All Credentials Awarded (Two-Year and Less) at Two-Year Colleges as a Percent of Enrollment, 2002



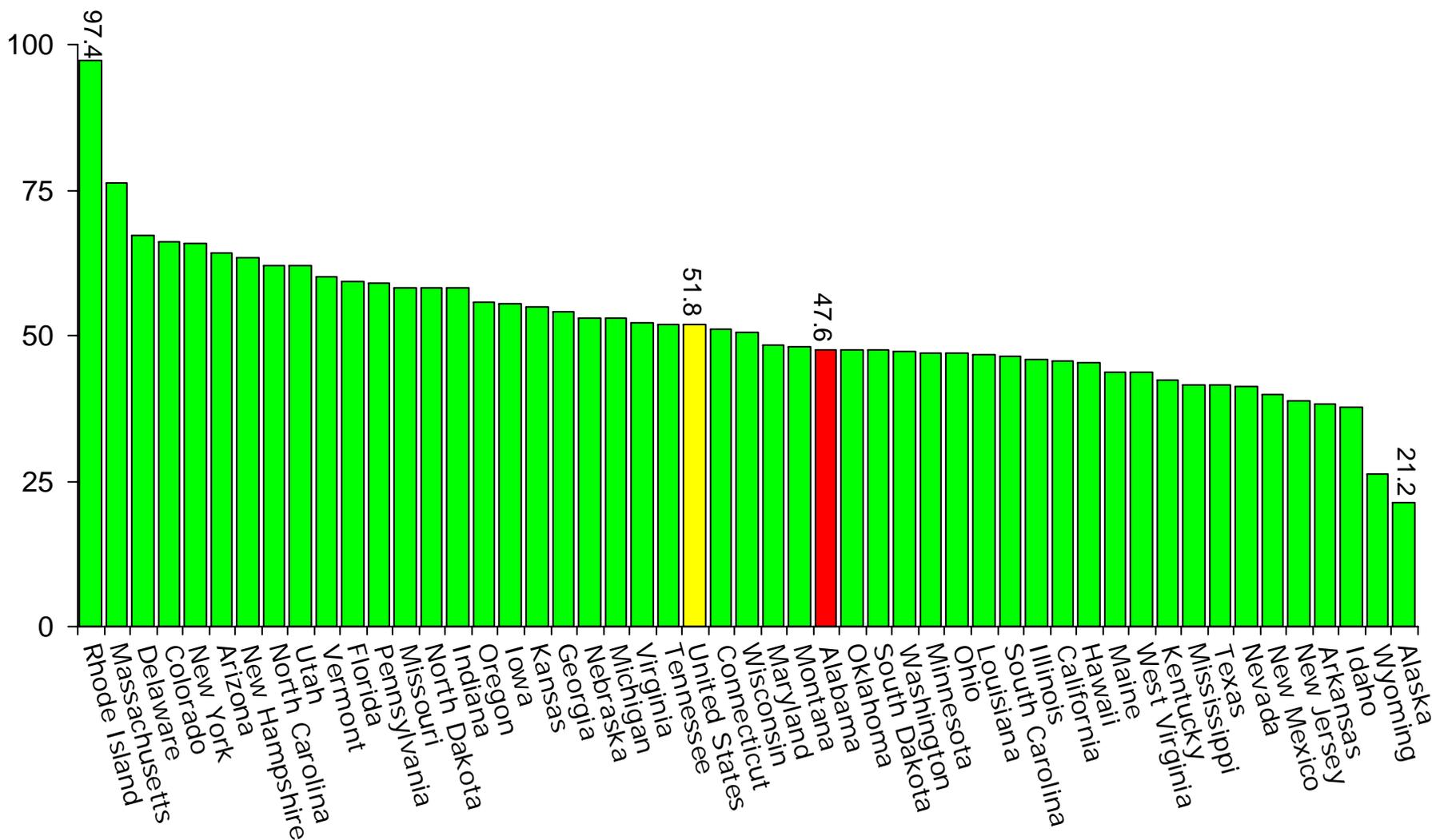
Source: NCES, IPEDS Completions Survey, Enrollment Survey

# Six-Year Graduation Rates at Public Four-Year Colleges (Percent), 2003



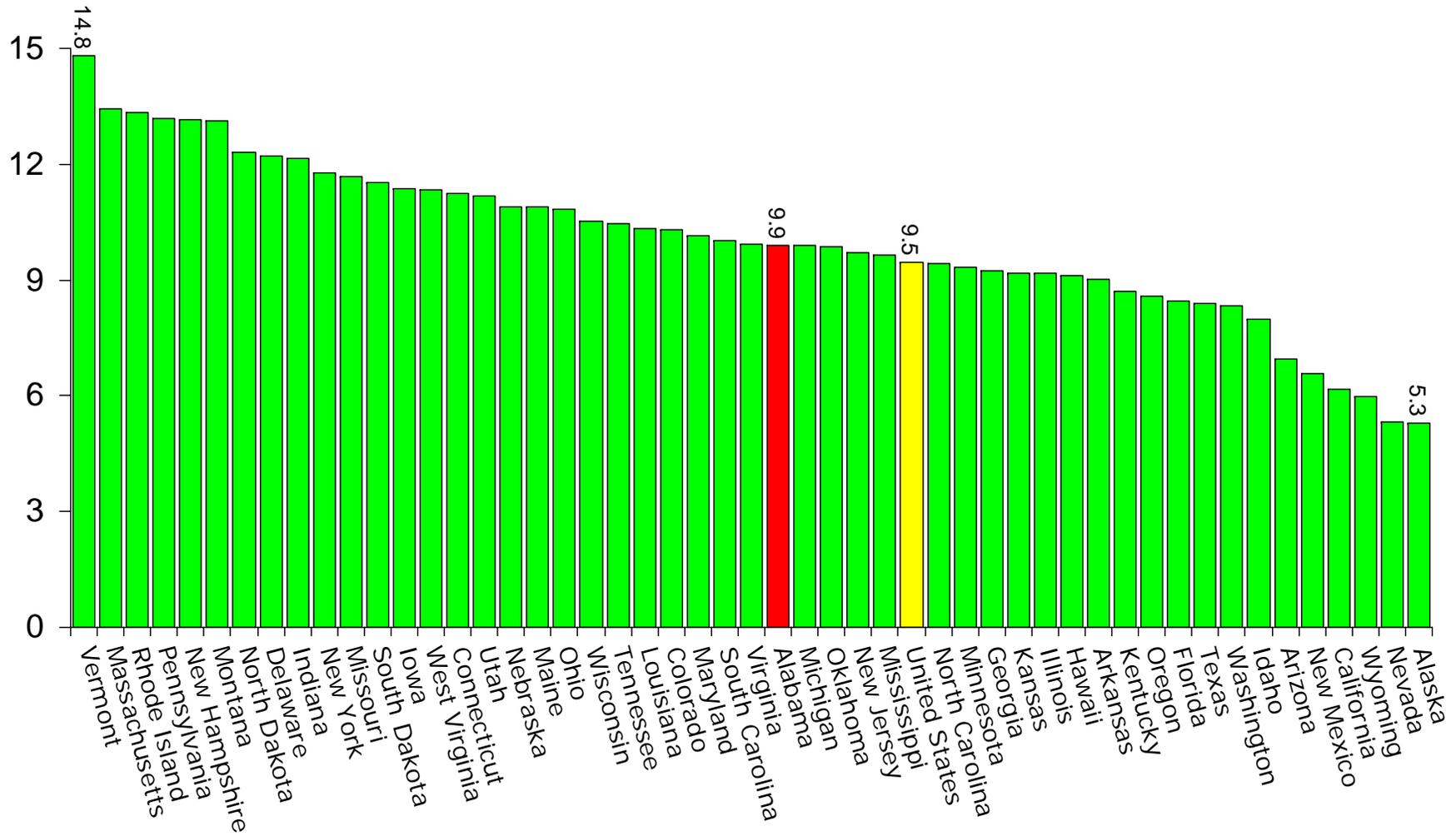
Source: NCES & IPEDS Graduation Rate Survey

# Bachelor's Degrees Awarded per 100 High School Graduates Six Years Earlier, 2004



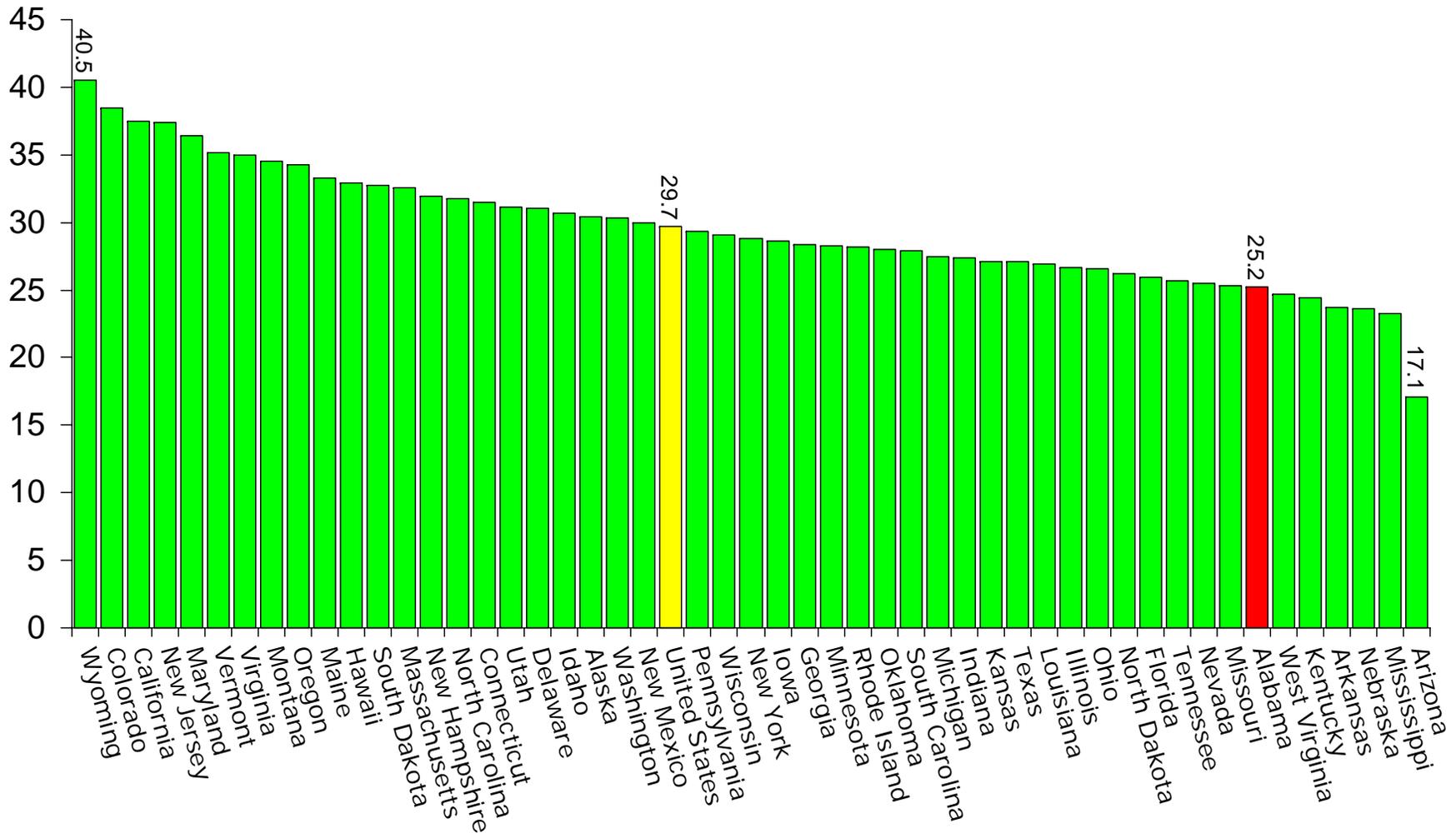
Source: NCES Common Core Data, IPEDS Completion Survey

## Bachelor's Degrees Awarded as a Percent of All Undergraduates, 2002



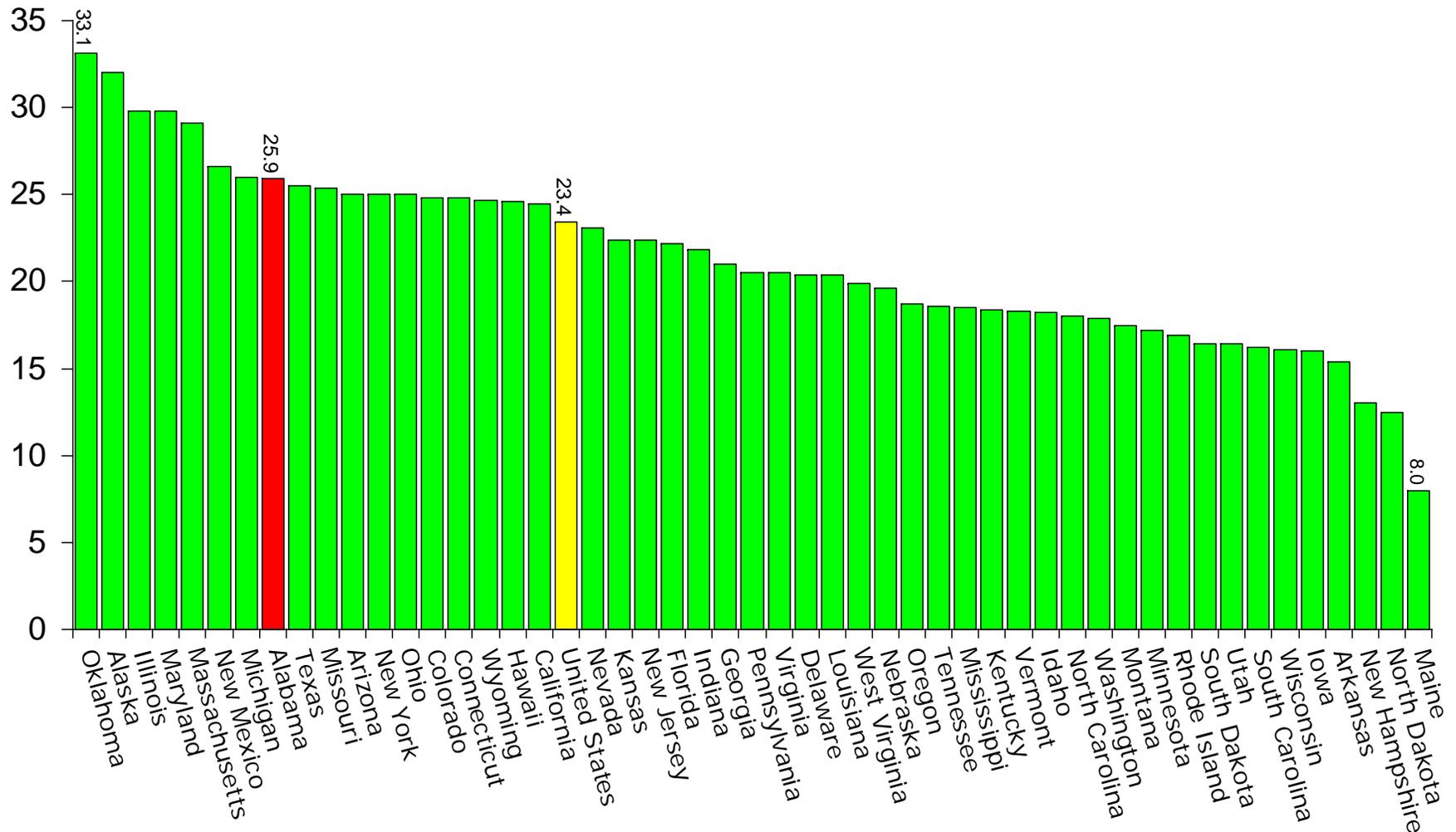
Source: NCES, IPEDS Completions Survey, Enrollment Survey

# Science and Engineering Degrees as Share of Higher Education Degrees Conferred by State, 2000



Source: U.S. Dept. of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System

# Advanced Science and Engineering Degrees as Share of Science and Engineering Degrees Conferred by State, 2000



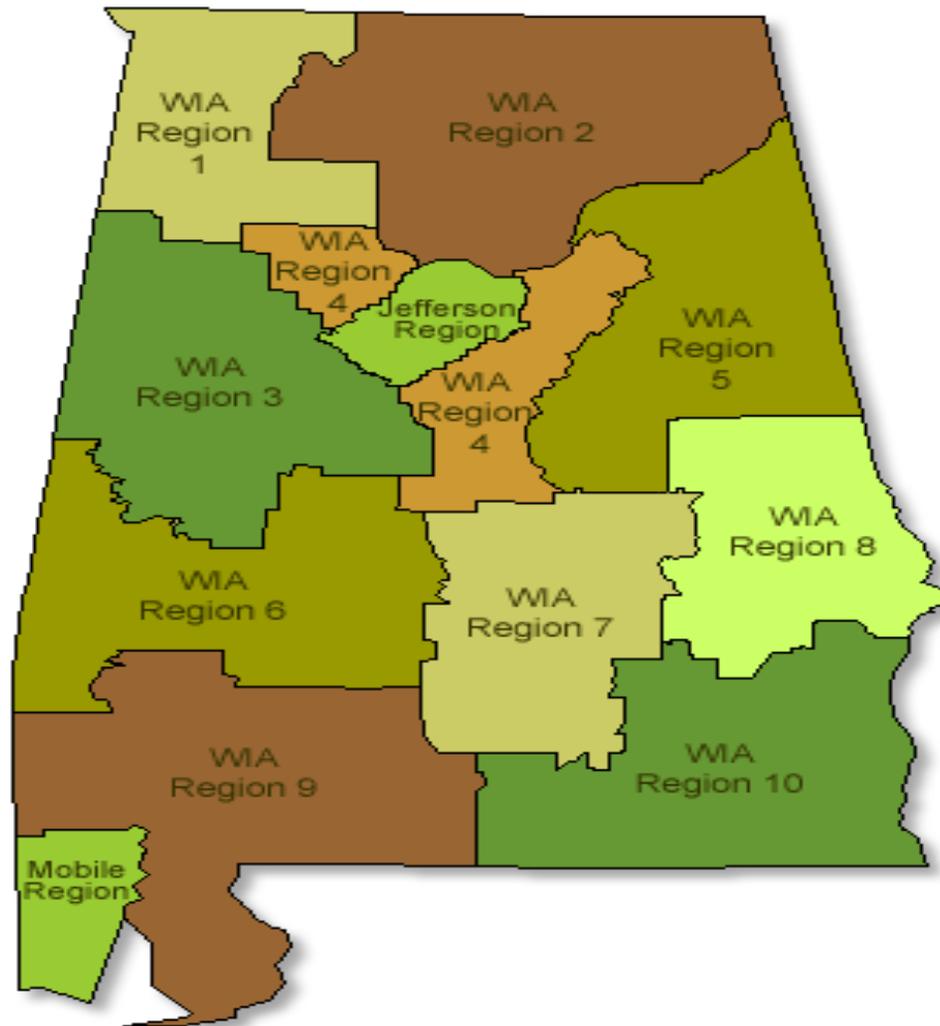
Source: U.S. Dept. of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System



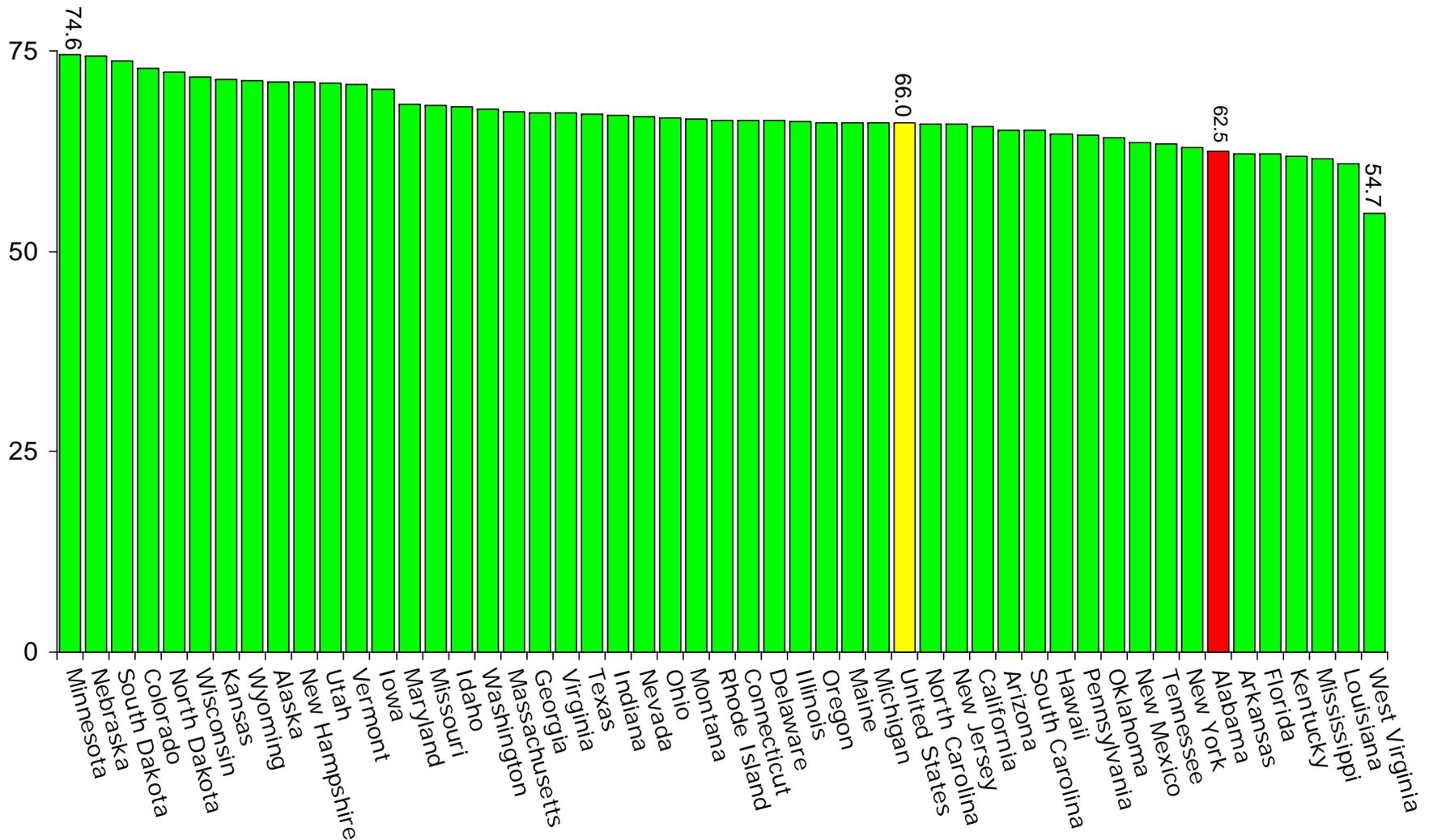
# College-Educated Workforce

Is Alabama Retaining and Attracting a Workforce Educated at the College Level and in Fields Critical to the State's Future Economy?

# *Alabama Workforce Investment Regions*



# Percent of Civilian Population Participating in the Workforce, 2004



Source: U.S. Census Bureau

## *Alabama Civilians Age 25-34 in the Workforce by Education Attainment, 2000*

	In Civilian Workforce		Not in Civilian Workforce	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than High School	65,112	61.4	40,954	38.6
High School Diploma or GED	128,199	74.5	43,927	25.5
Some College, No Degree	118,619	79.9	29,790	20.1
Associate Degree	36,938	84.9	6,595	15.1
Bachelor's Degree	85,845	85.8	14,170	14.2
Graduate or Professional Degree	29,216	89.2	3,547	10.8

Source: Integrated Public Use Microdata Series 5% Sample, Minnesota Population Center



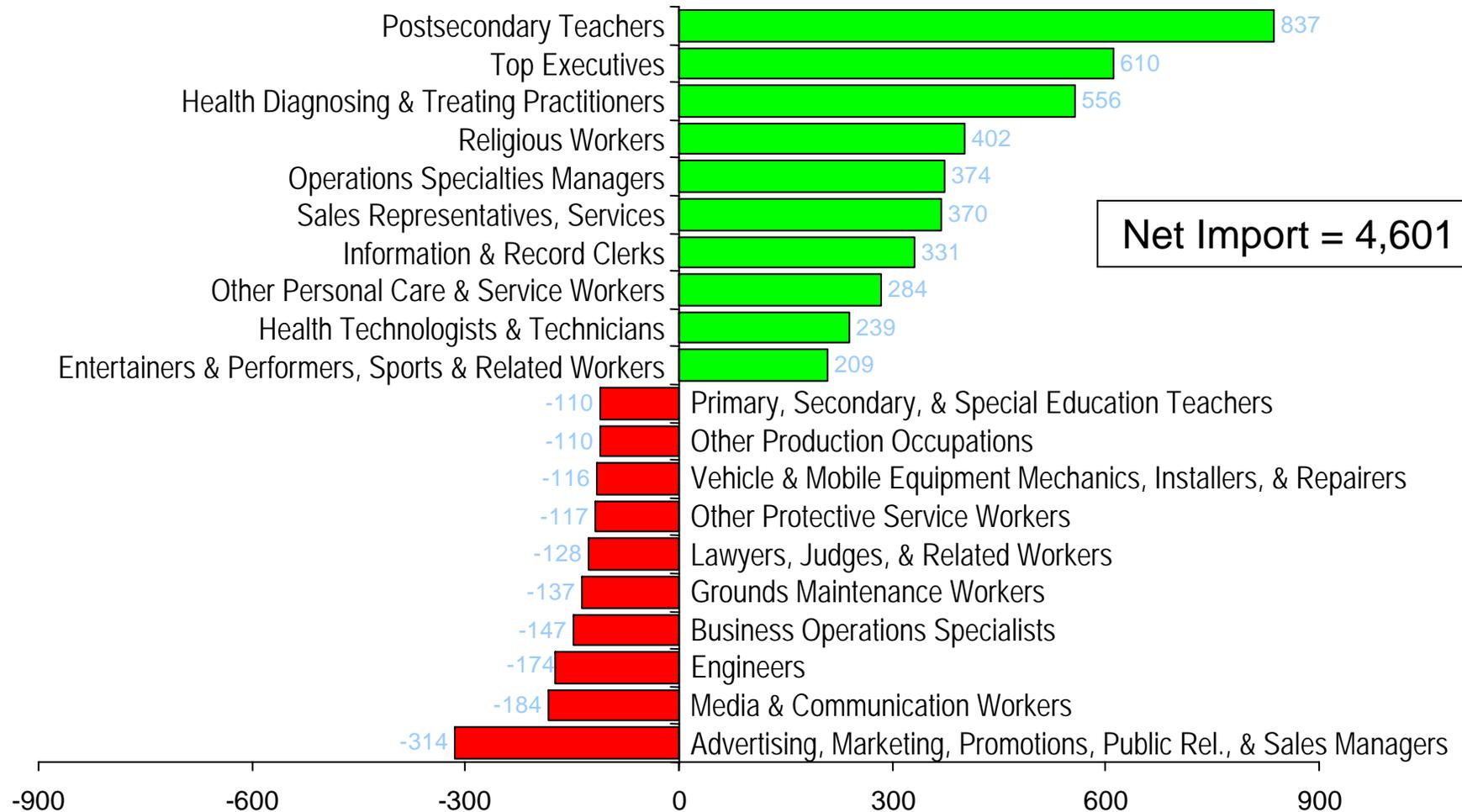
Importing and Exporting  
Occupations Requiring a College  
Degree, 1995-2000

# Alabama Occupations with High Net Imports and Exports, 1995-2000—Residents Age 22-29 with College Degrees



Source: U.S. Census Bureau, 2000 Census; 5% Public Use Microdata Sample (PUMS) Files

# Alabama Occupations with High Net Imports and Exports, 1995-2000—Residents Age 30-64 with College Degrees

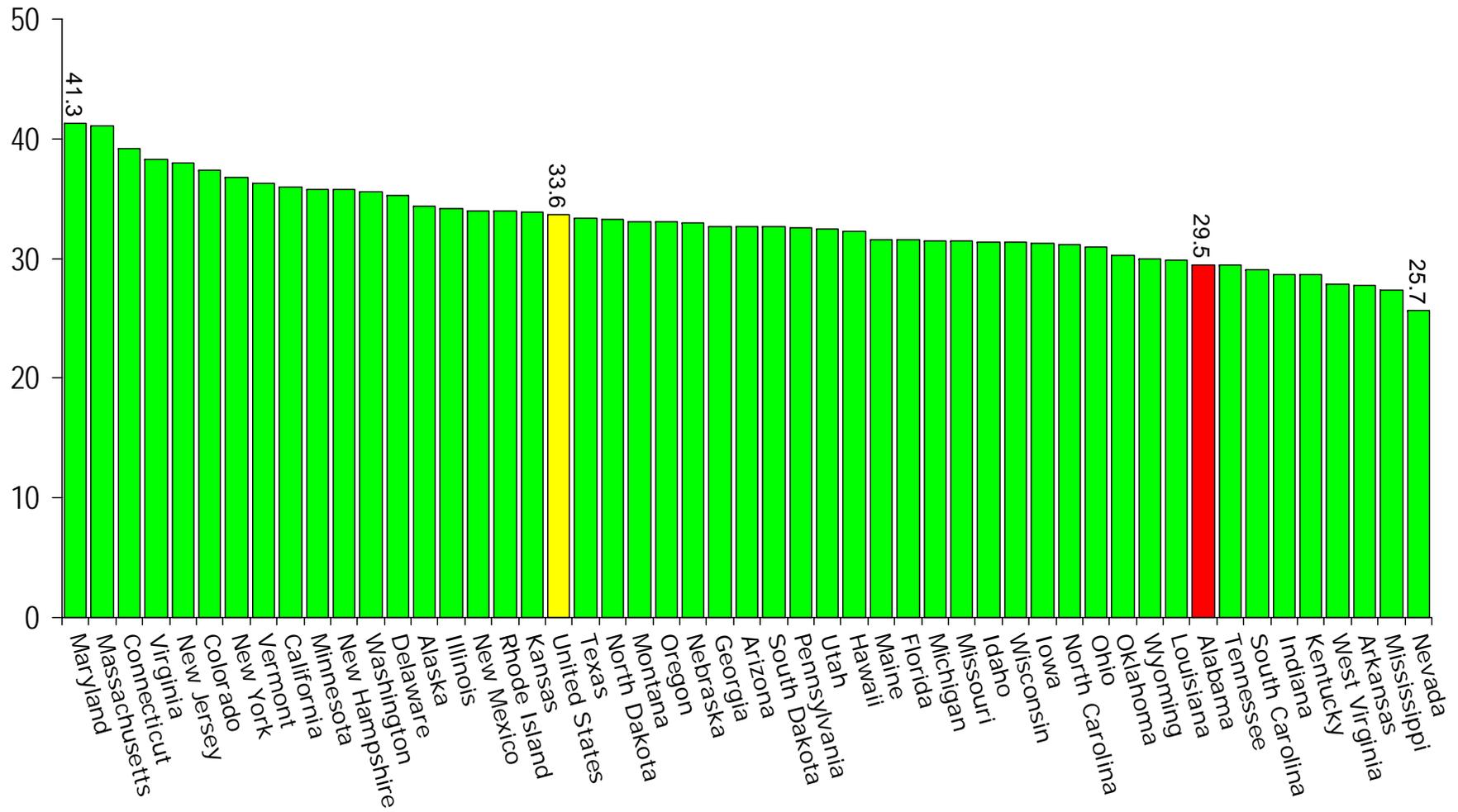


Source: U.S. Census Bureau, 2000 Census; 5% Public Use Microdata Sample (PUMS) Files



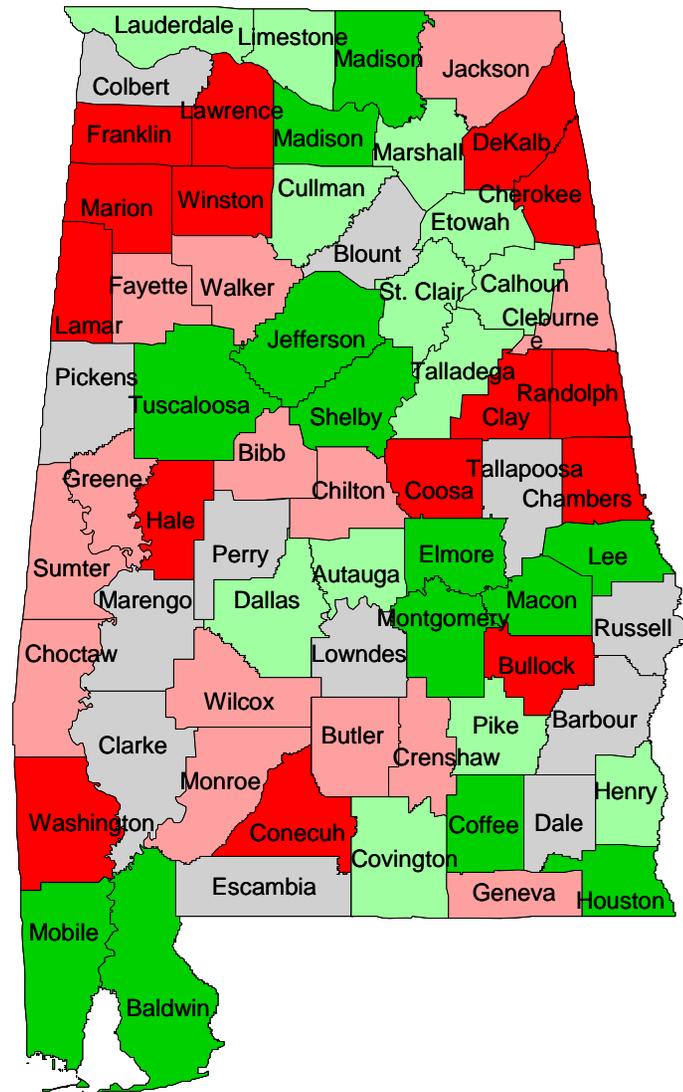
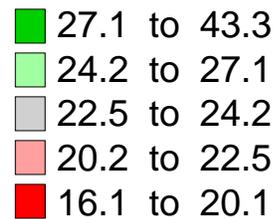
# Employment in Occupations Requiring a Higher Education Credential

# Percent of Population Employed in Managerial and Professional Occupations, 2000



Source: U.S. Census Bureau, 2000 Census

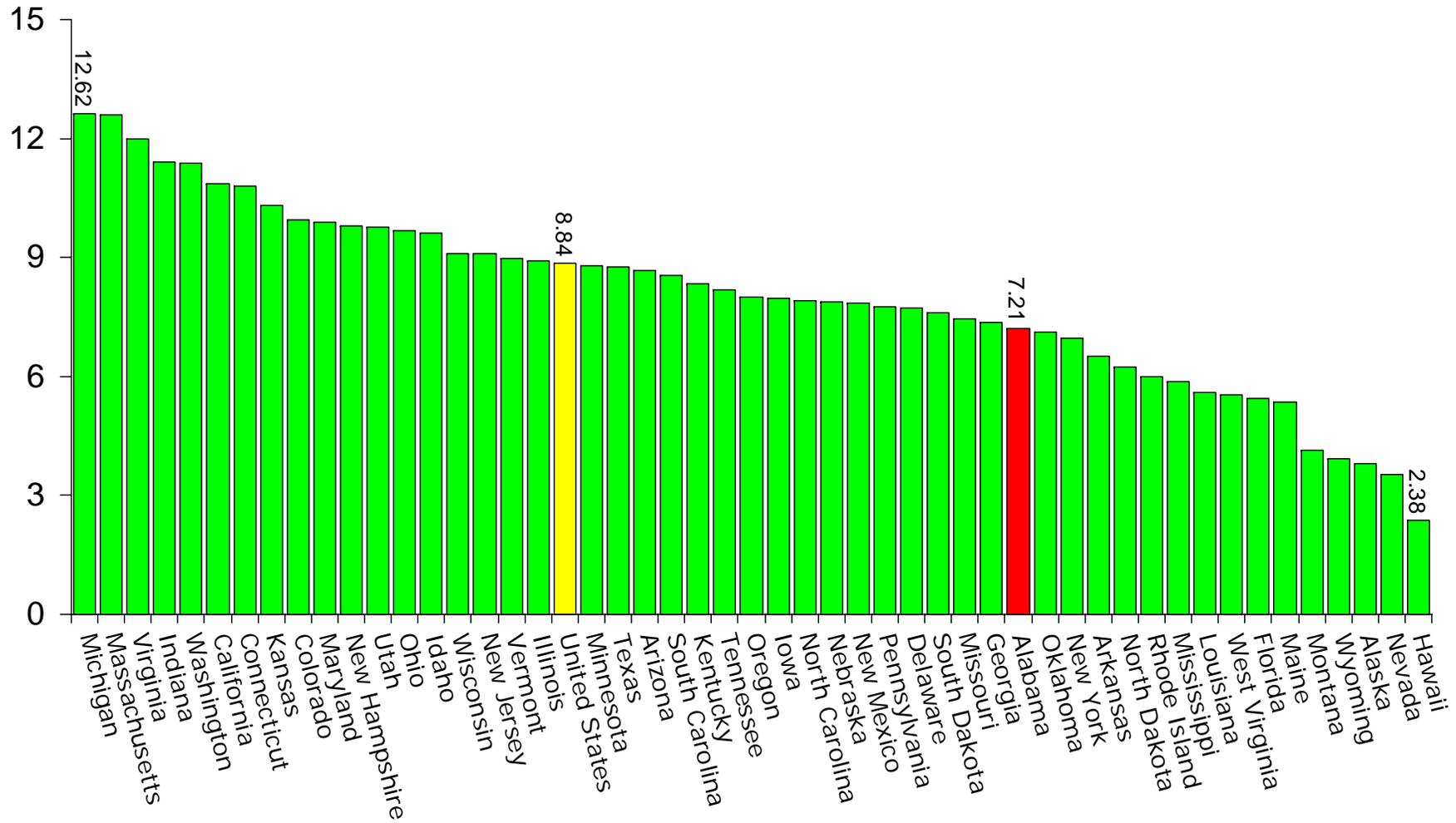
# Percent Employed in Managerial and Professional Occupations, 2000



Alabama = 29.5%

Source: U.S. Census Bureau, 2000 Census

# Employment in High-Technology Establishments as Share of Total Employment by State, 2000



Source: U.S. Census Bureau—Standard Statistical Establishment List, special tabulations, and *County Business Patterns*

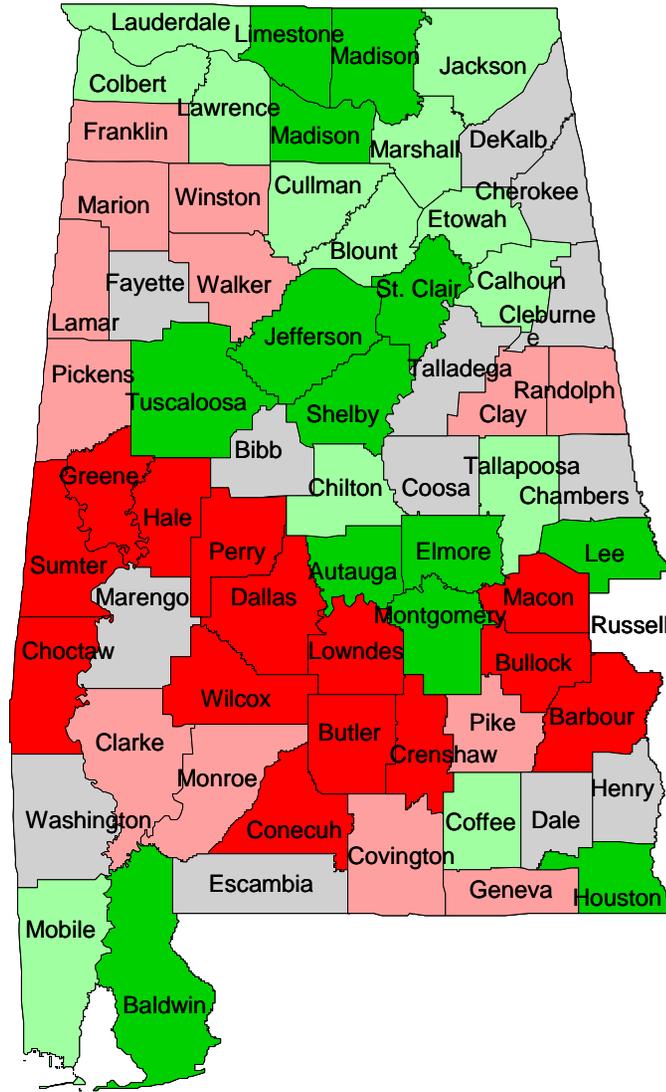
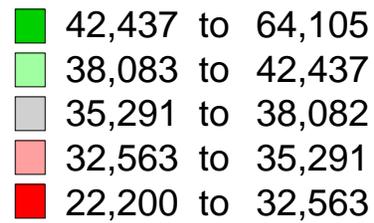


# Differences in Among Regions



Per Capita and Median  
Family  
Income

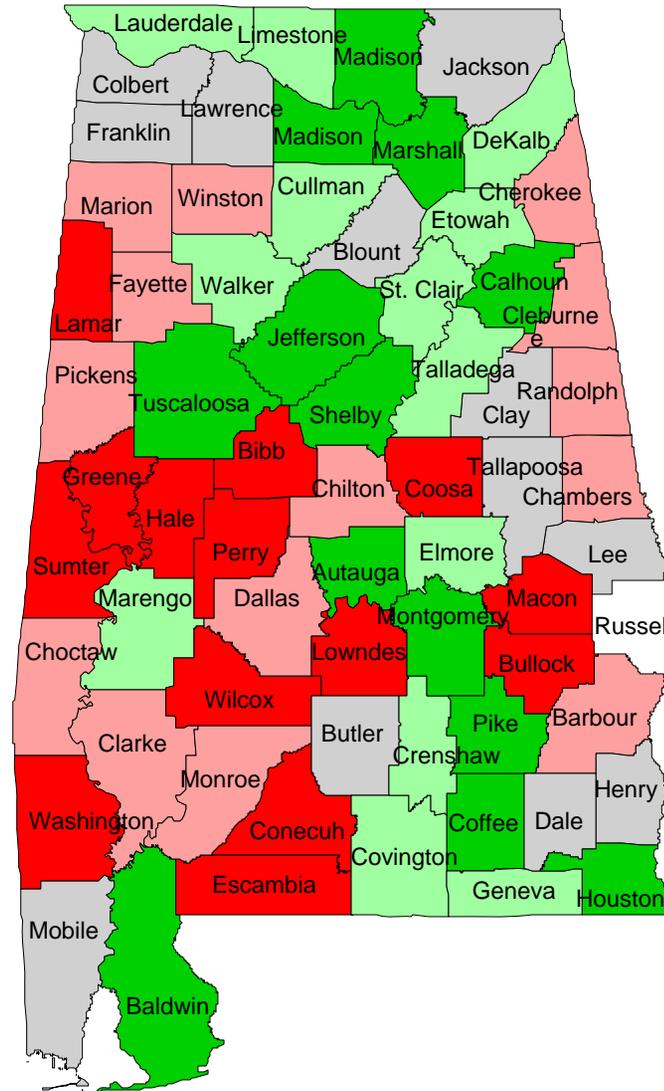
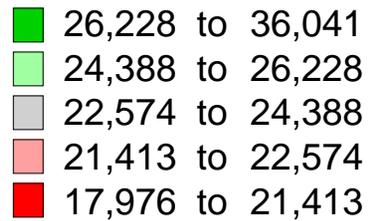
# Median Family Income, 1999



Alabama = \$41,657

Source: U.S. Census Bureau, 2000 Census

# Per Capita Personal Income, 2000



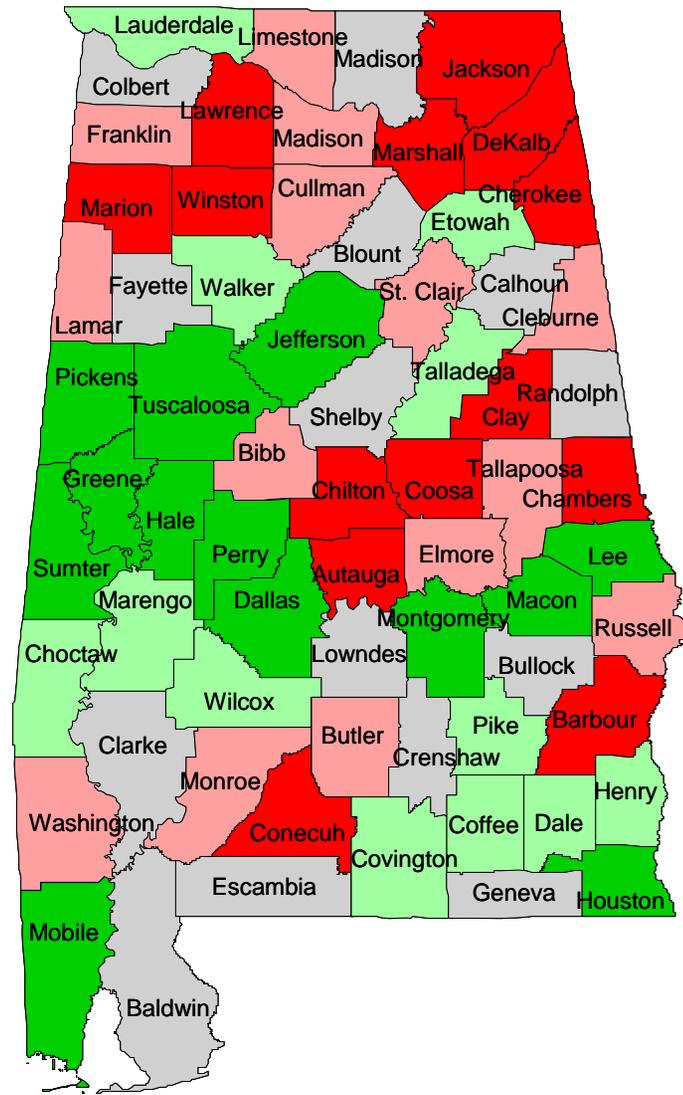
Alabama = \$27,695

Source: Bureau of Economic Analysis



# Employment in Selected Industries: Differences Among State's Regions

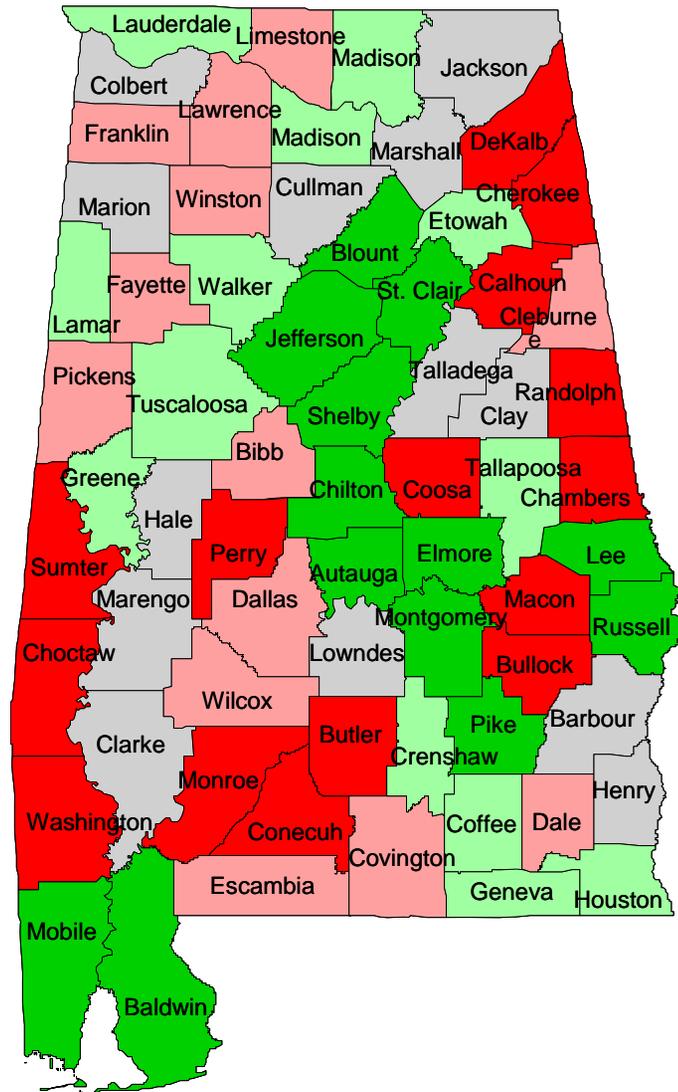
# Percent Employed in Education, Health, and Social Services, 2000



Alabama = 19.3%

Source: U.S. Census Bureau, 2000 Census

# Percent Employed in Finance, Insurance, and Real Estate, 2000

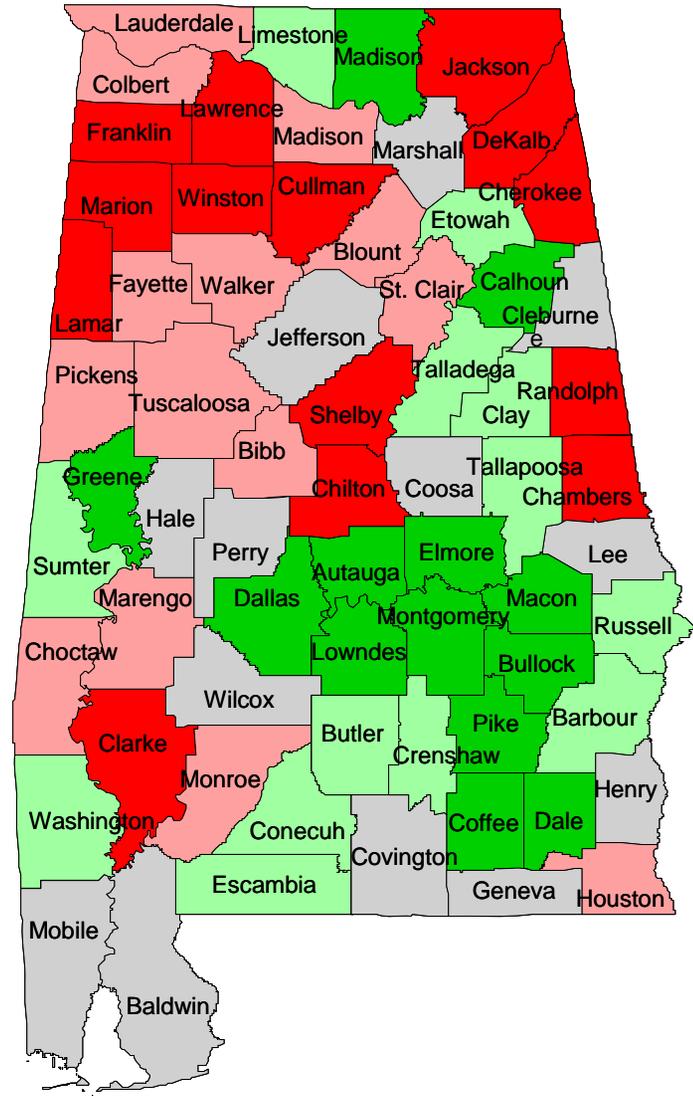


Alabama = 5.8%

Source: U.S. Census Bureau, 2000 Census



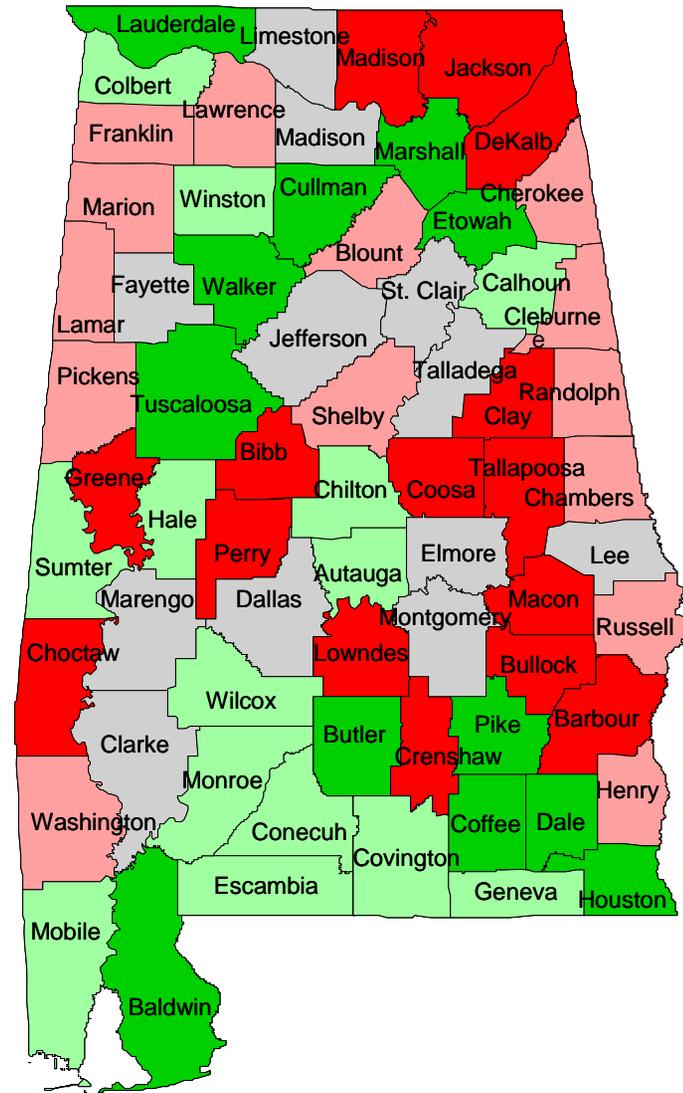
# Percent Employed in Public Administration, 2000



Alabama = 5.2%

Source: U.S. Census Bureau, 2000 Census

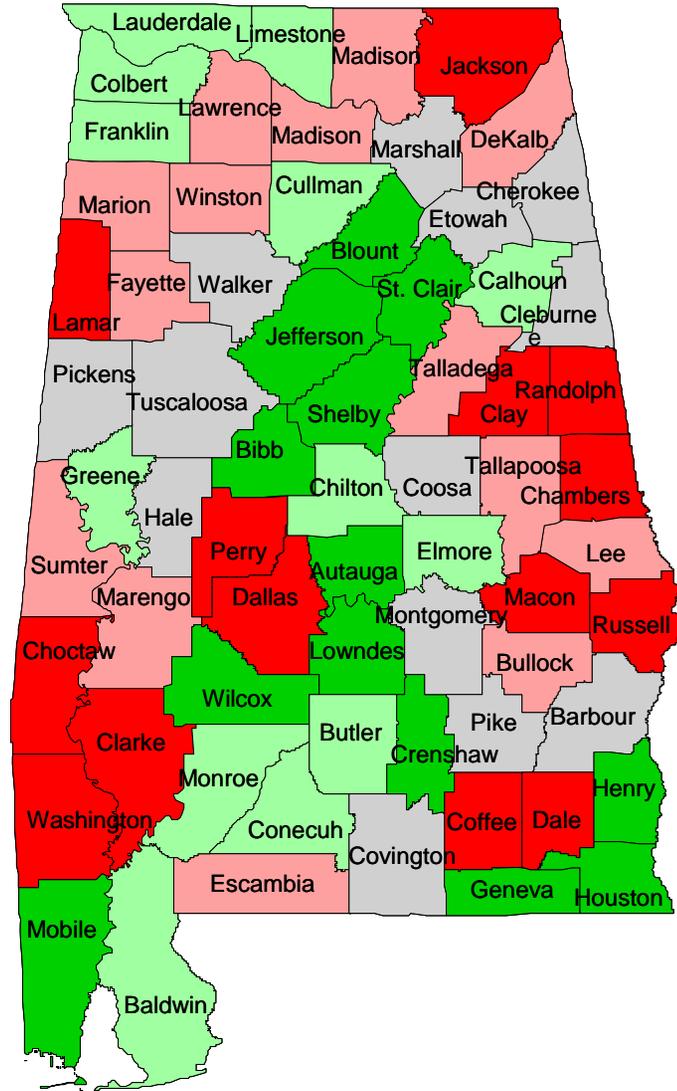
# Percent Employed in Retail Trade, 2000



Alabama = 12.2%

Source: U.S. Census Bureau, 2000 Census

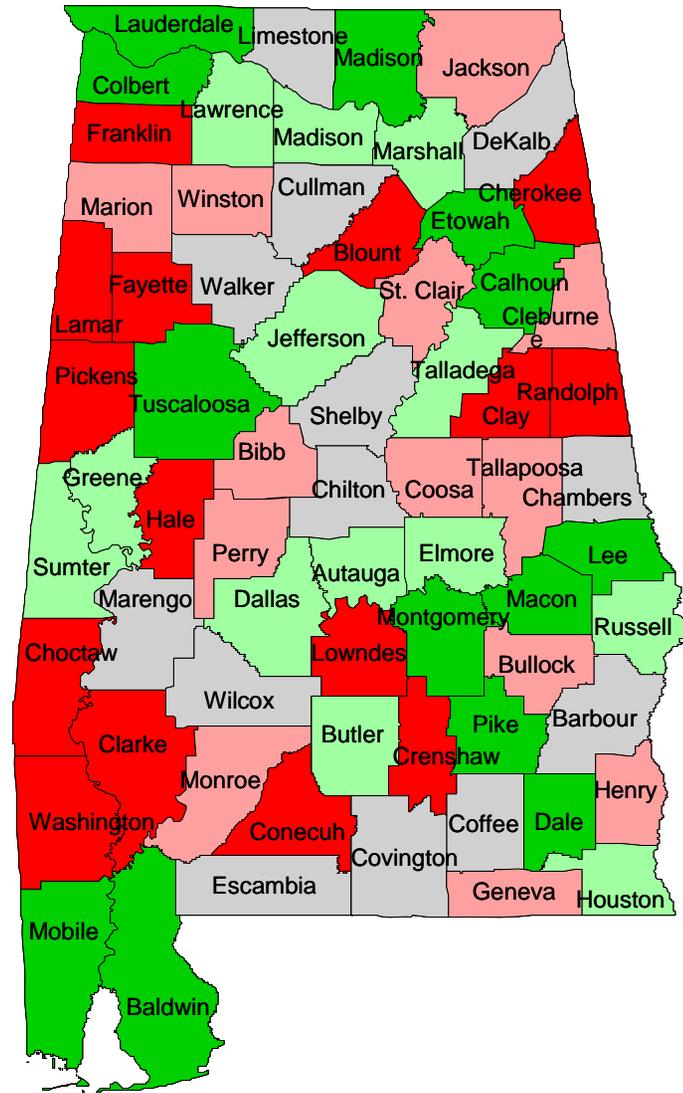
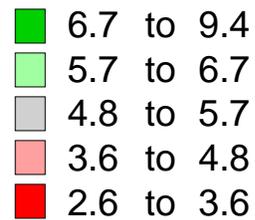
# Percent Employed in Wholesale Trade, 2000



Alabama = 3.6%

Source: U.S. Census Bureau, 2000 Census

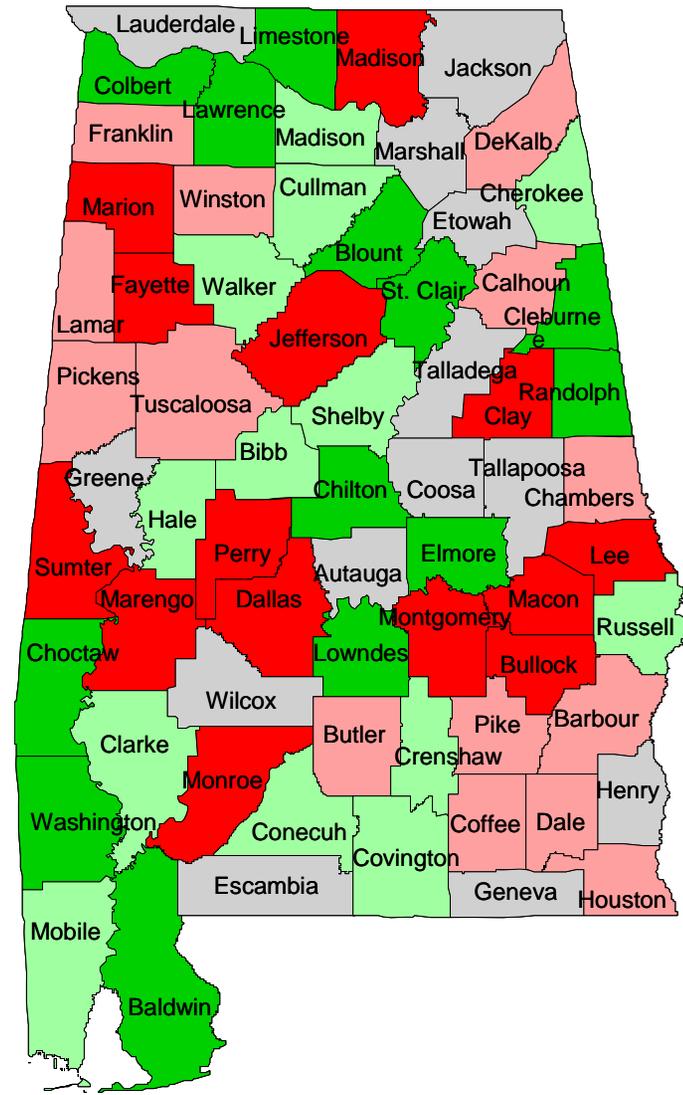
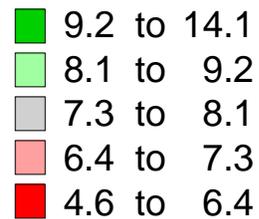
# *Percent Employed in Arts, Entertainment, Recreation, Accommodation, and Food Services, 2000*



Alabama = 6.4%

Source: U.S. Census Bureau, 2000 Census

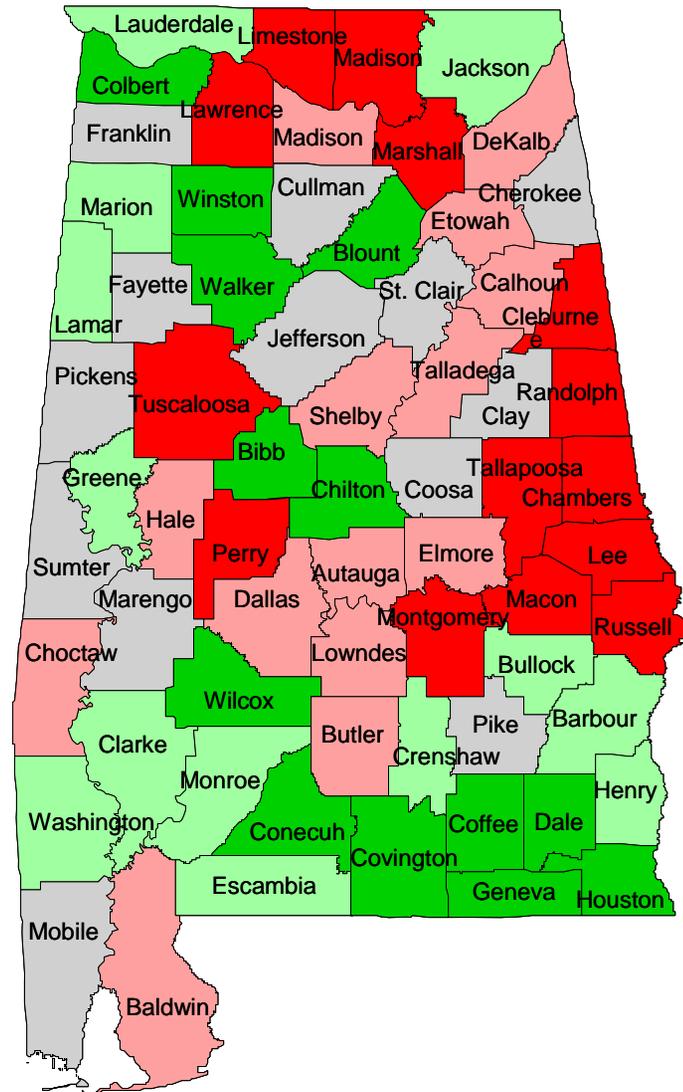
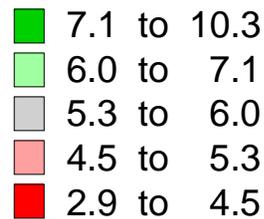
# Percent Employed in Construction, 2000



Alabama = 7.6%

Source: U.S. Census Bureau, 2000 Census

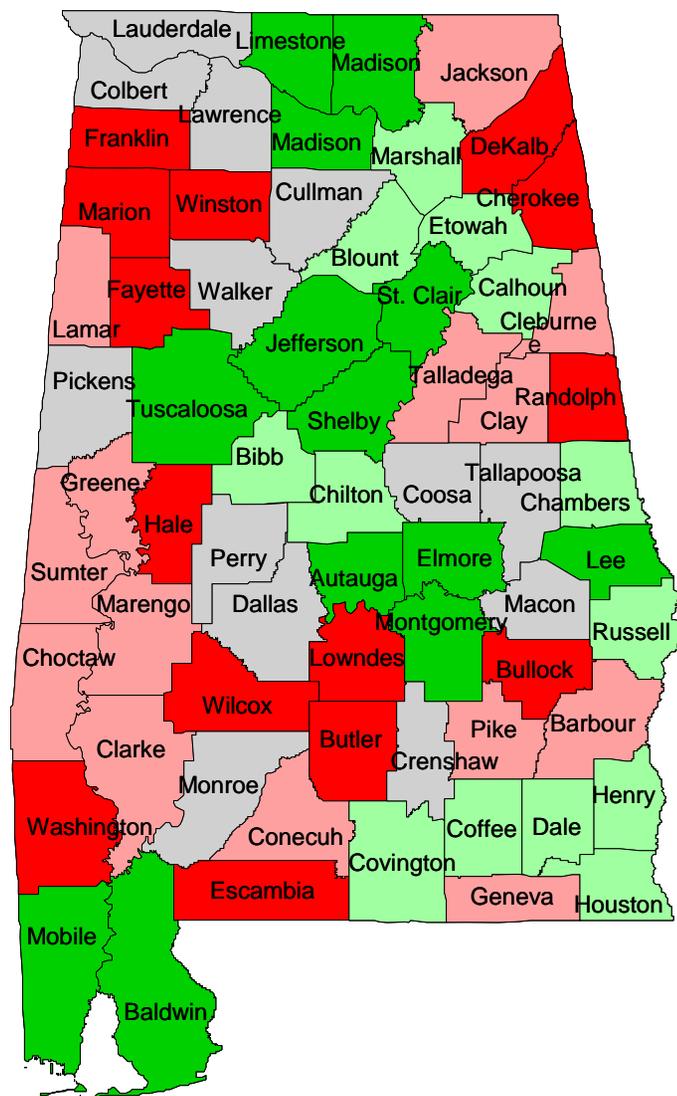
# Percent Employed in Transportation, Warehousing, and Utilities, 2000



Alabama = 5.3%

Source: U.S. Census Bureau, 2000 Census

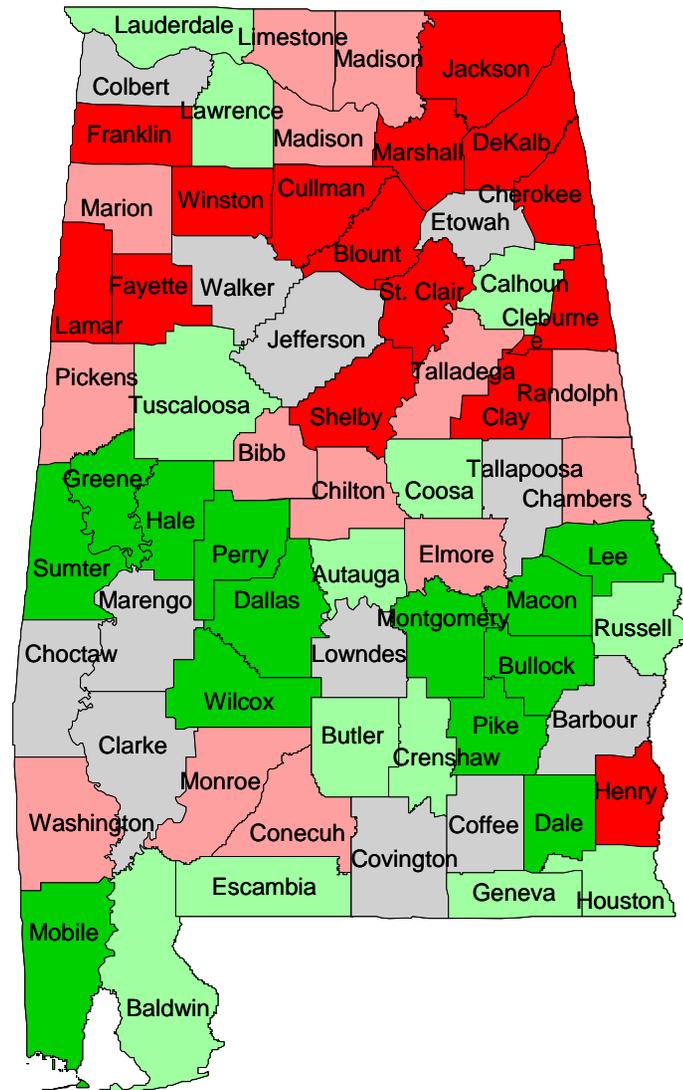
# *Percent Employed in Professional Scientific, Management, Administrative, and Waste Management Services, 2000*



Alabama = 7.1%

Source: U.S. Census Bureau, 2000 Census

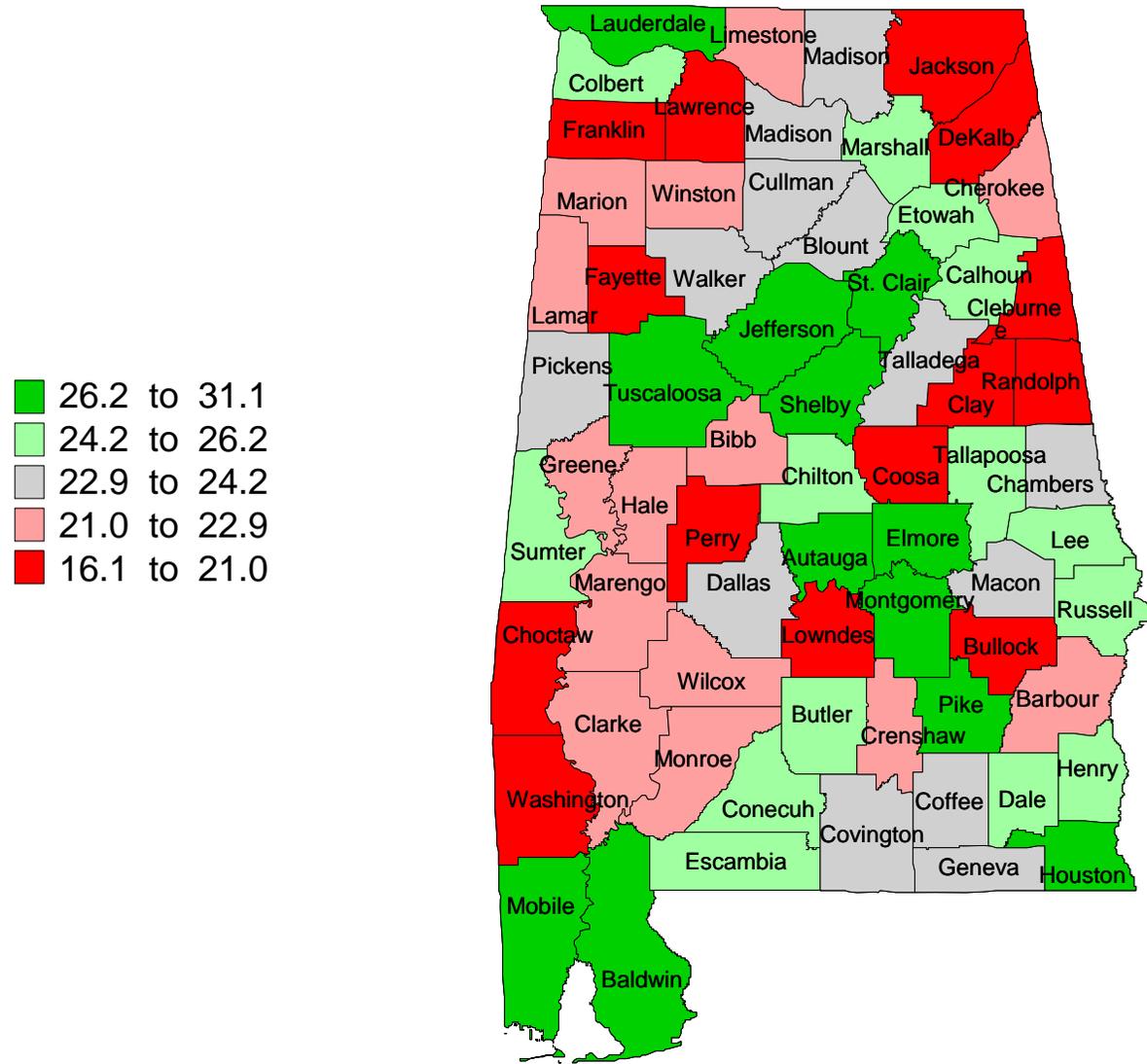
# Percent Employed in Service Occupations, 2000



Alabama = 13.5%

Source: U.S. Census Bureau, 2000 Census

# Percent Employed in Sales and Office Occupations, 2000

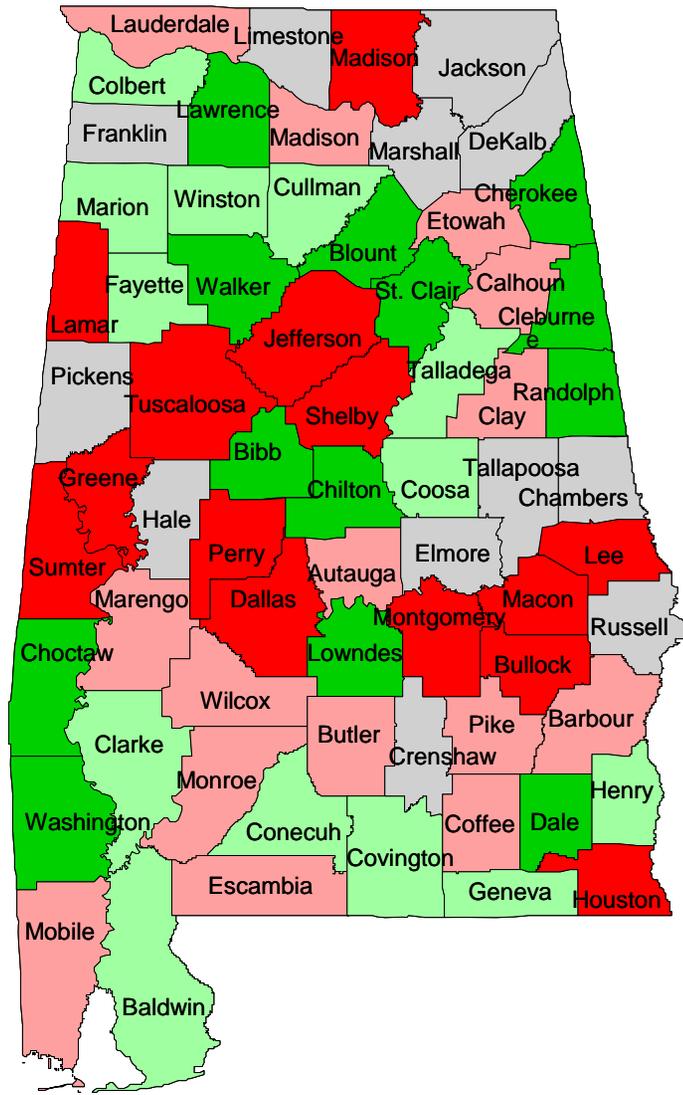


Alabama = 25.9%

Source: U.S. Census Bureau, 2000 Census



# Percent Employed in Construction, Extraction, and Maintenance, 2000



Alabama = 11.3%

Source: U.S. Census Bureau, 2000 Census

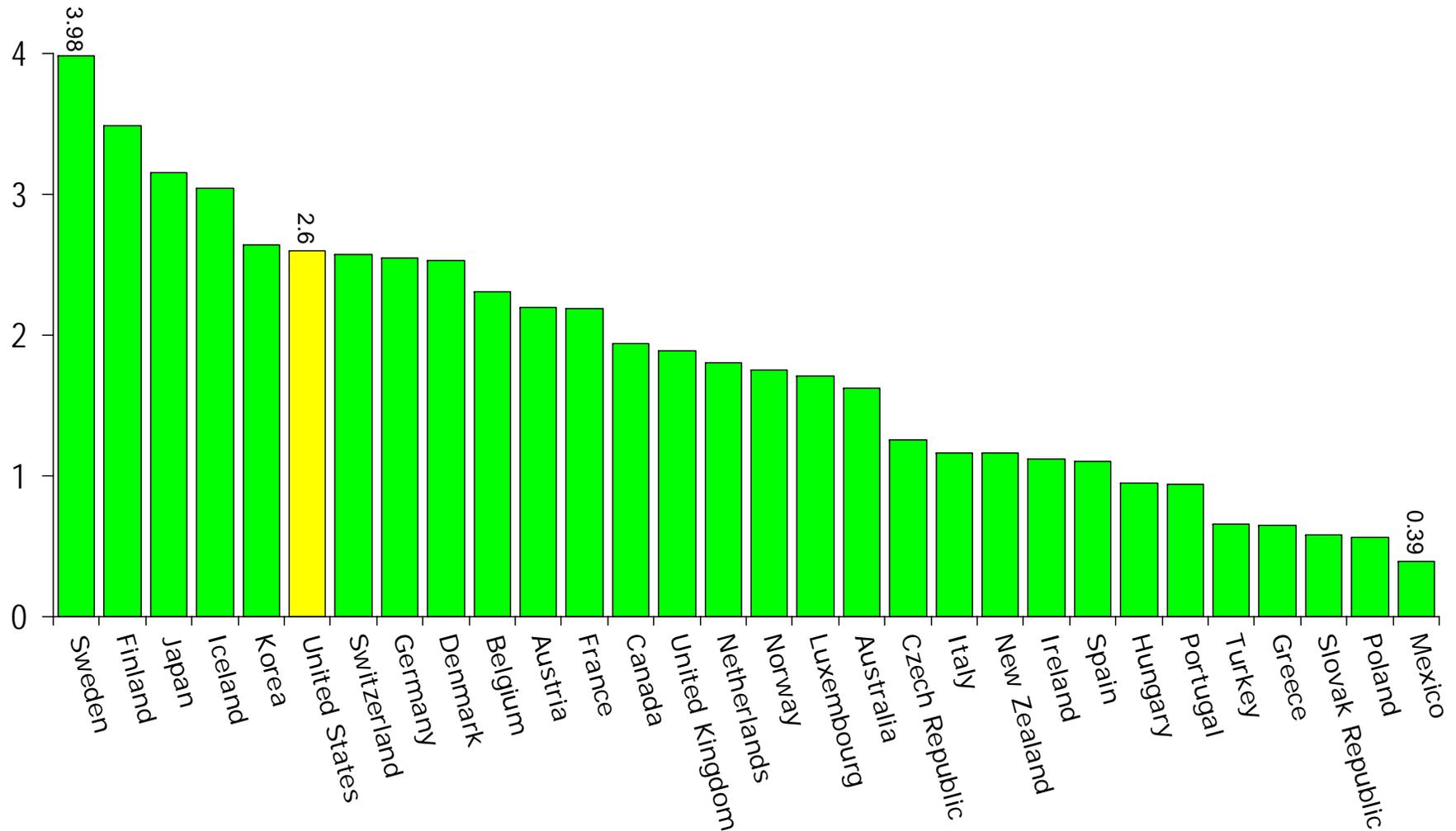




# Research Competitiveness

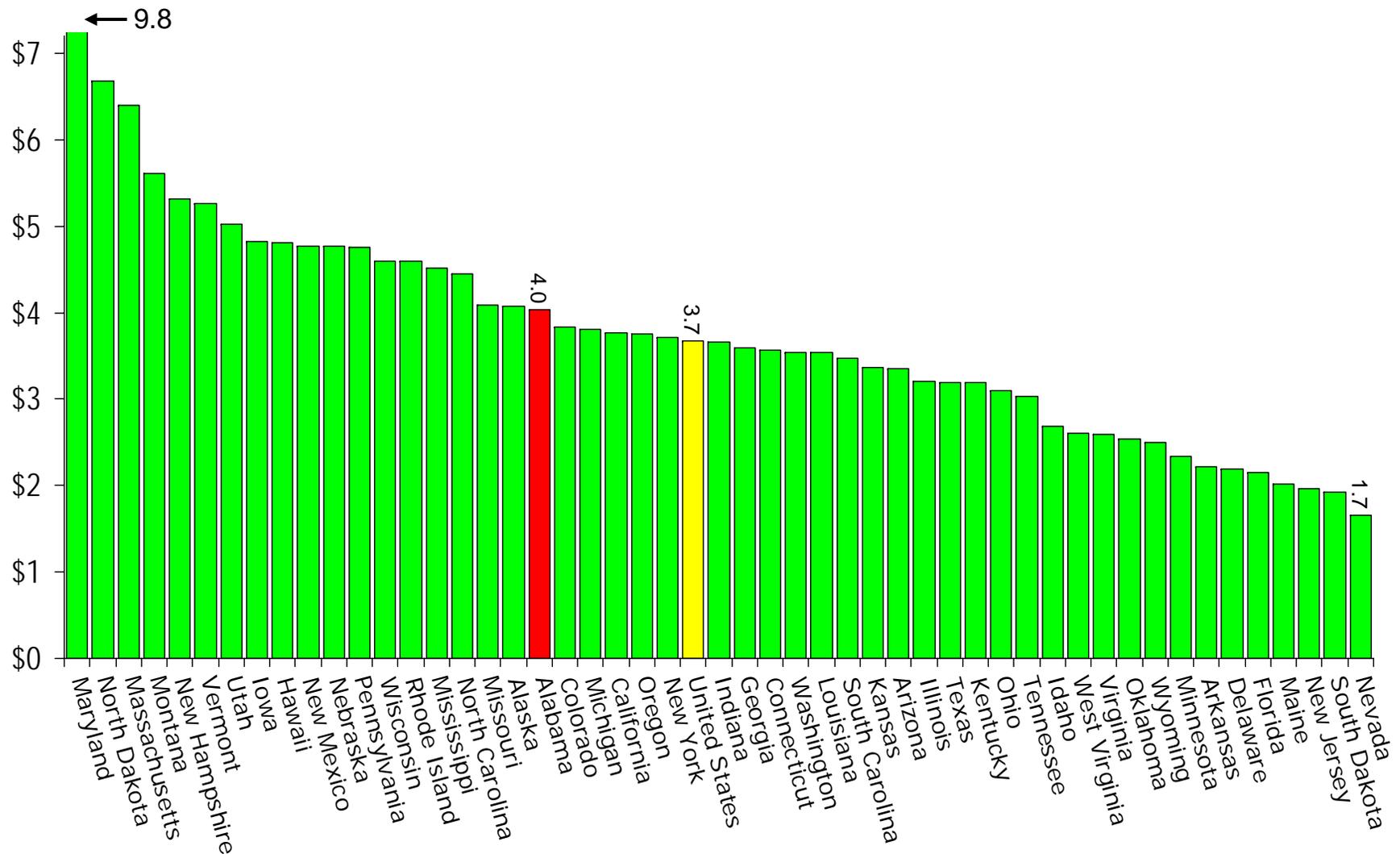
Is Alabama Competitive in R&D,  
especially in Fields Essential for  
Competition in a Technology-Intensive  
Global Economy?

# Percent of Gross Domestic Expenditure on Research and Development, 2003



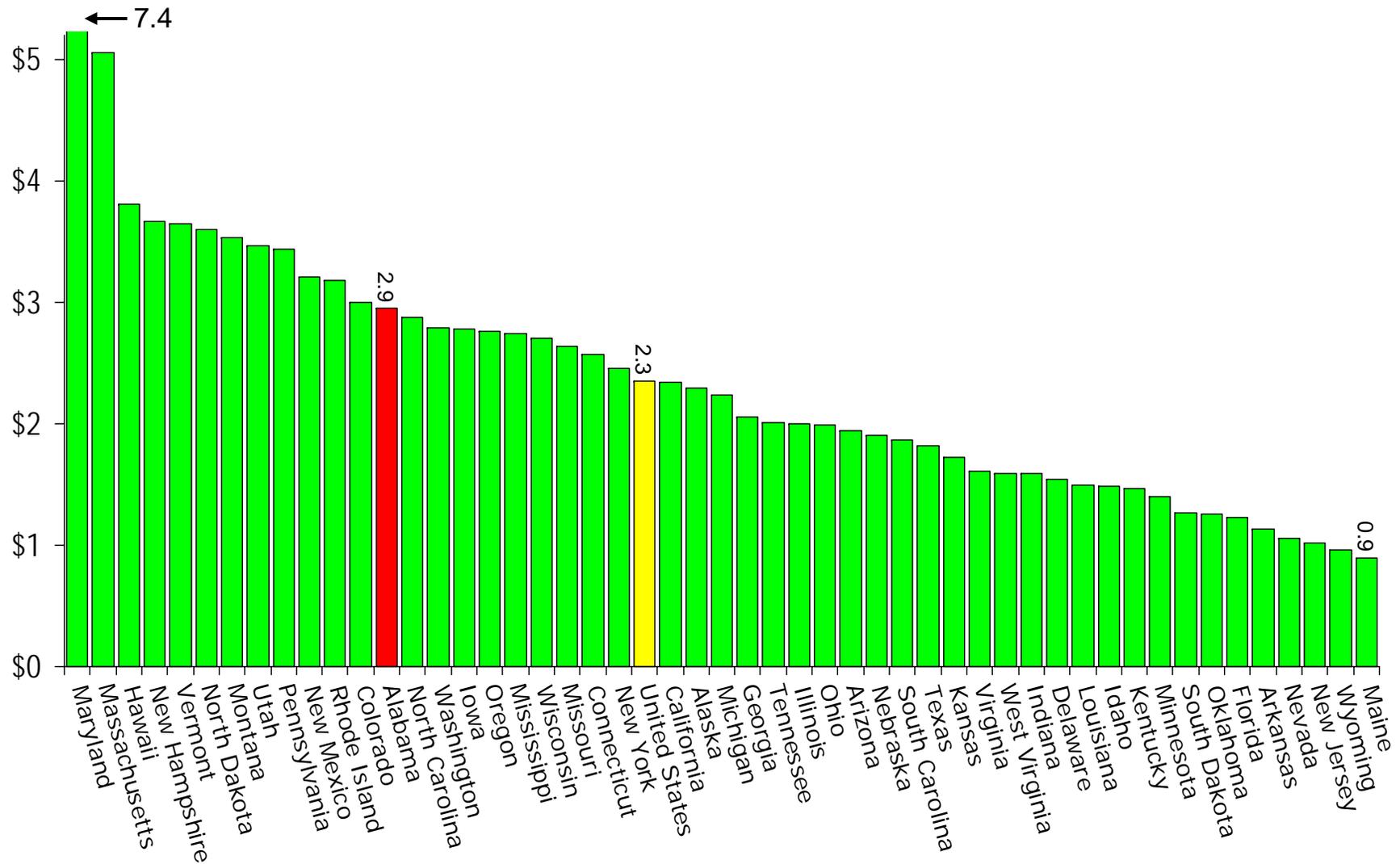
Source: *Main Science and Technology Indicators*, OECD, Paris, 2005

# Total Academic R&D Per \$1,000 Gross State Product, 2004



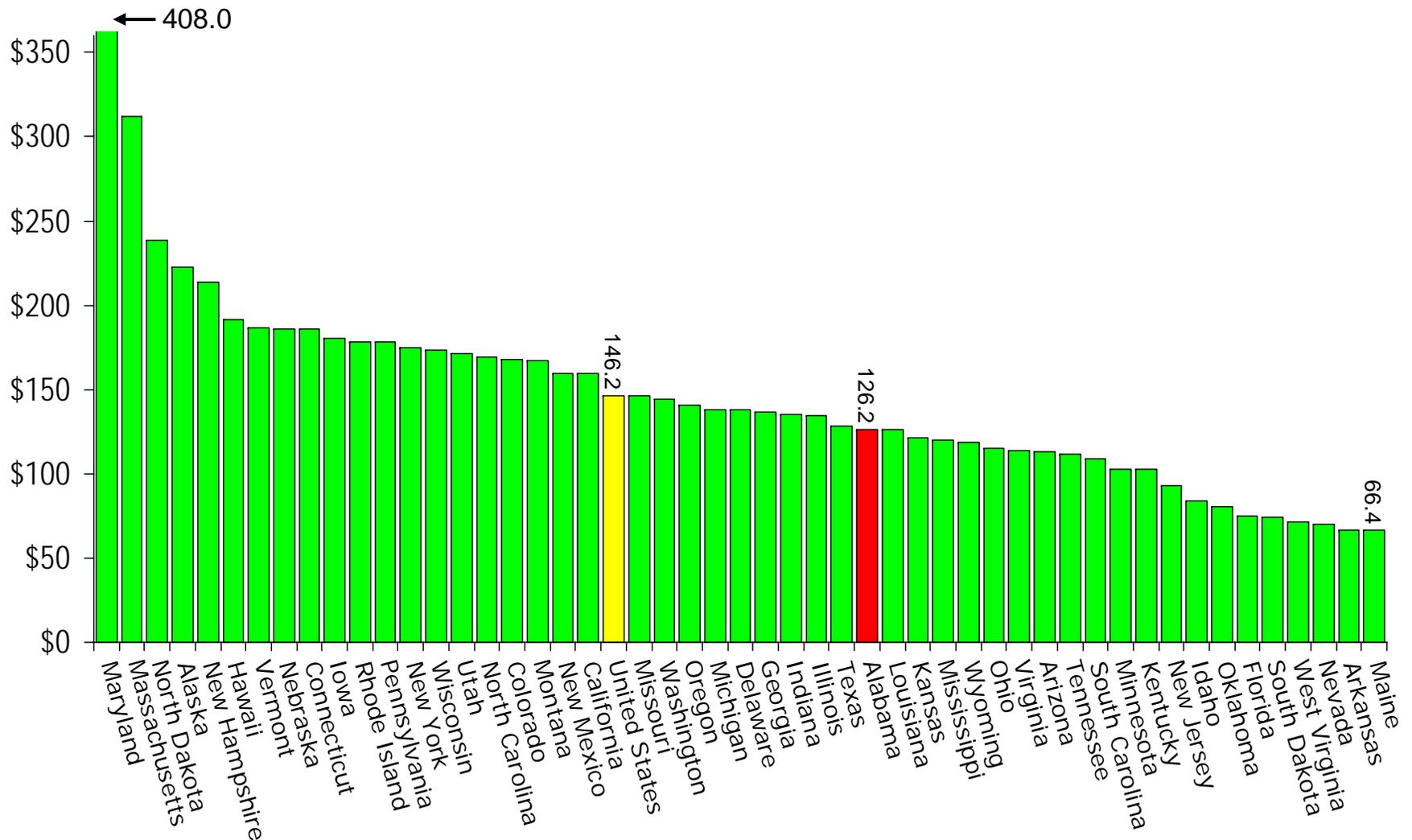
Source: National Science Foundation; U.S. Dept. of Commerce

# Federally-Financed Academic R&D Per \$1,000 Gross State Product, 2004



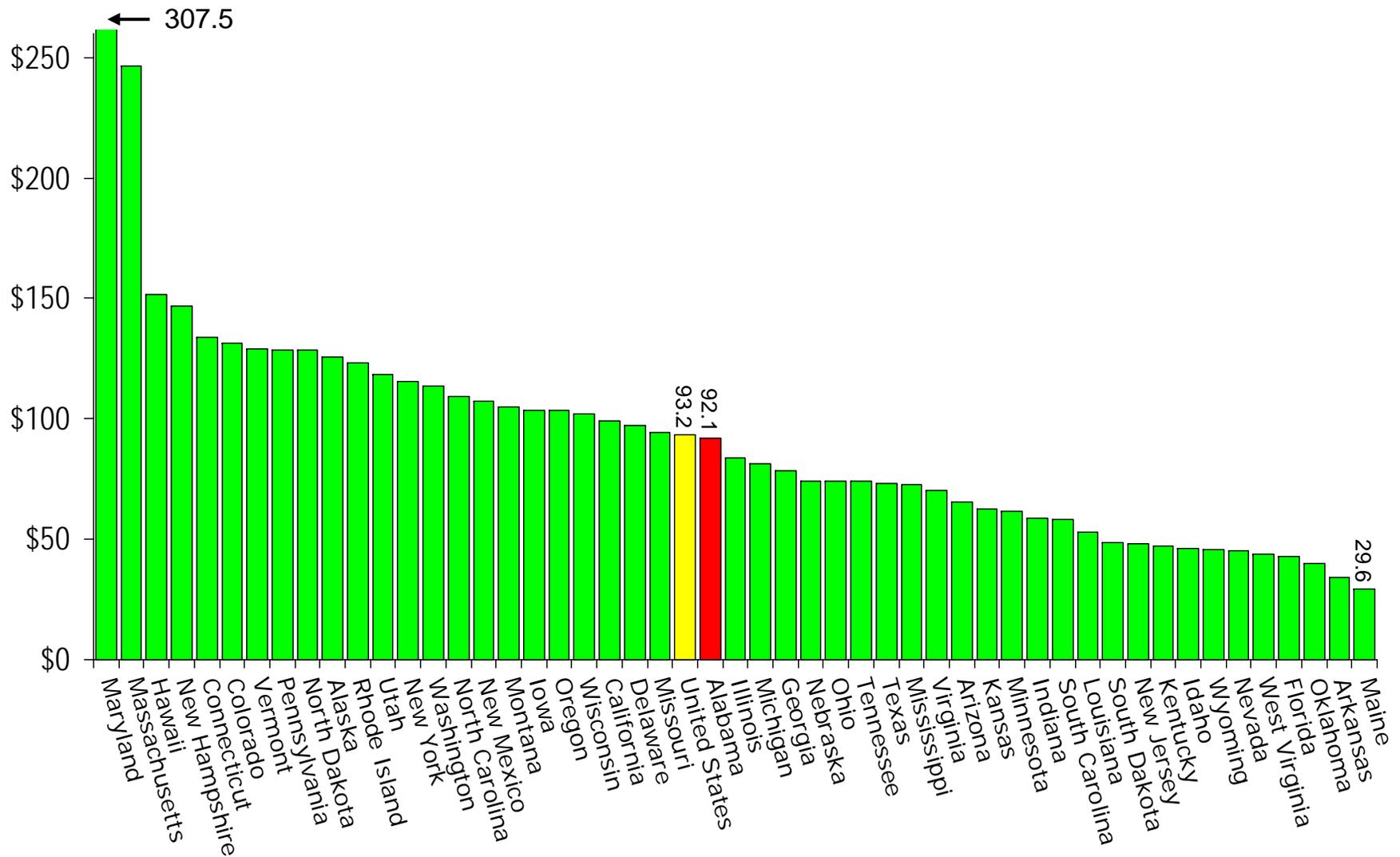
Source: National Science Foundation; U.S. Dept. of Commerce

# Total R&D Expenditures Per Capita, 2004



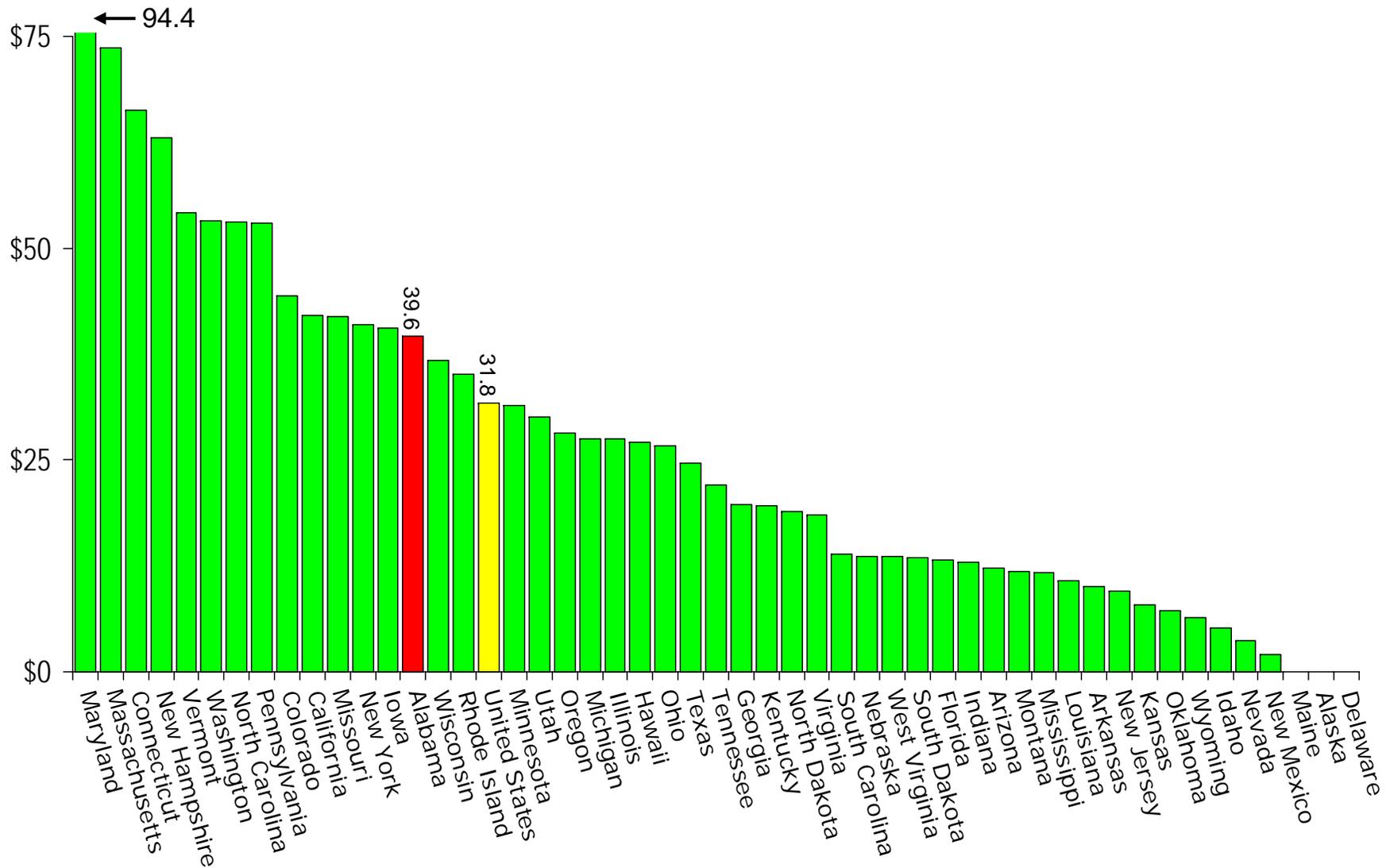
Source: National Science Foundation; U.S. Census Bureau

# Federal R&D Expenditures Per Capita, 2004



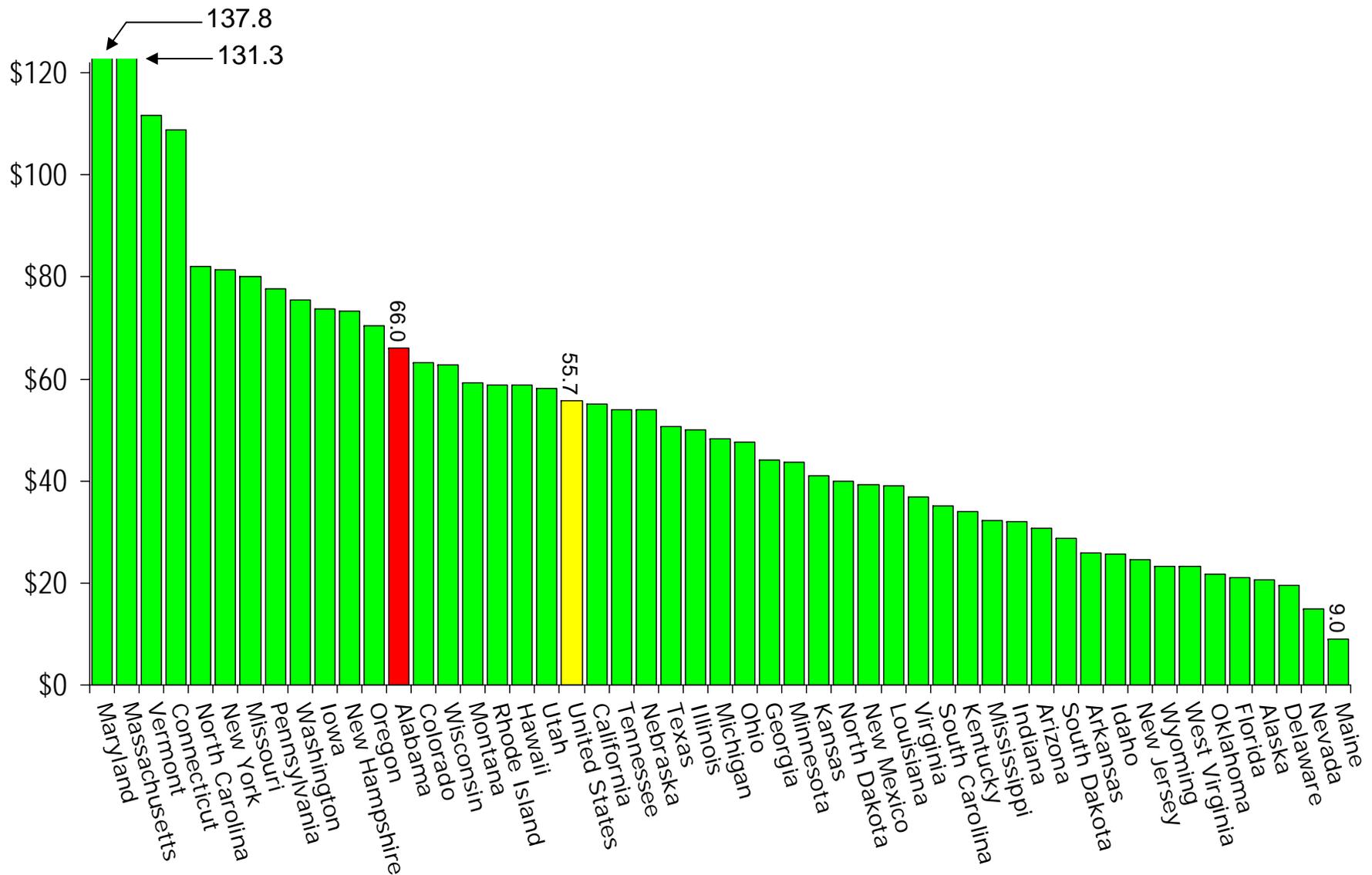
Source: National Science Foundation; U.S. Census Bureau

# *Federal Medical Science R&D Per Capita, 2004*



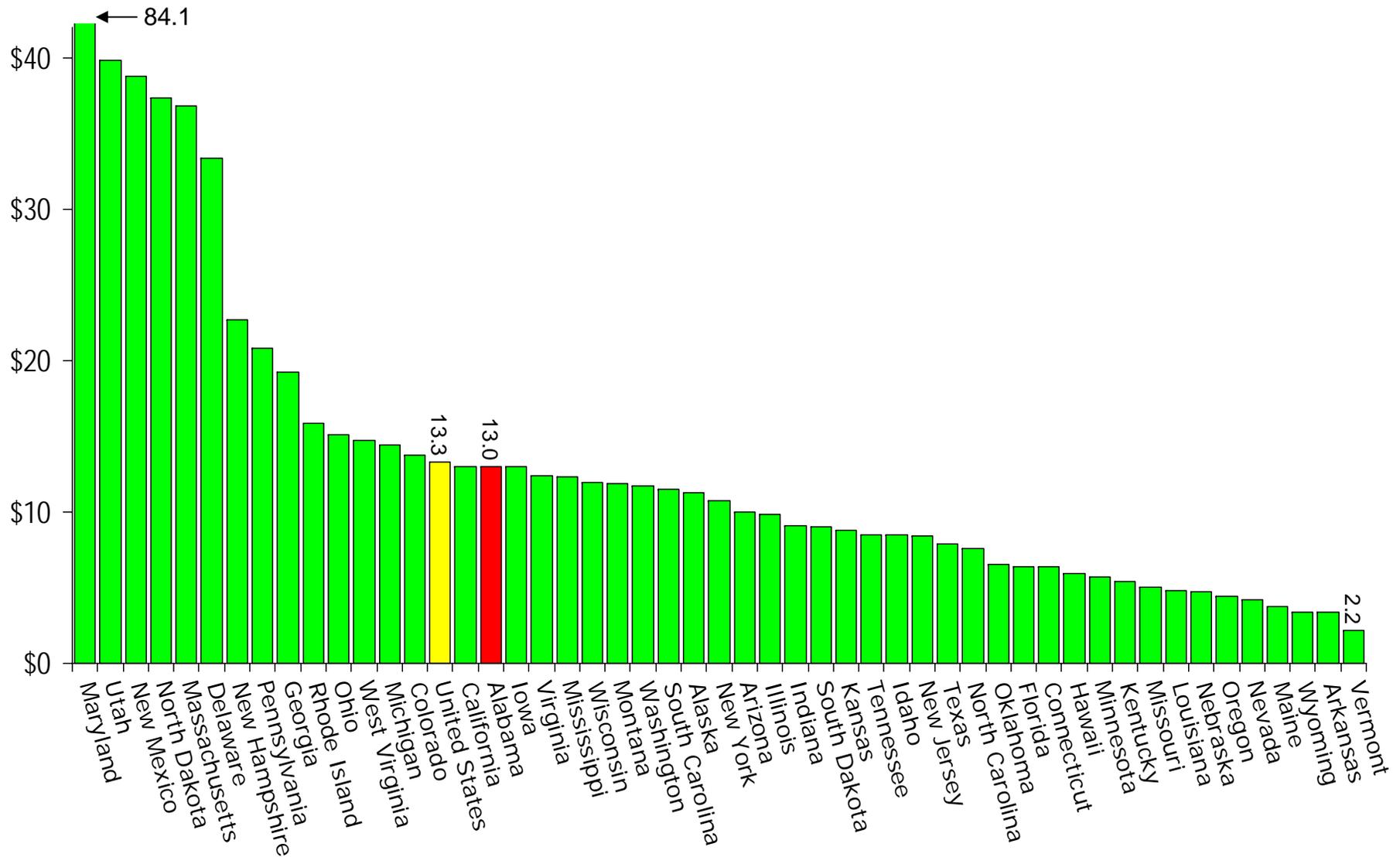
Source: National Science Foundation; U.S. Census Bureau

# Federal Life Science R&D Per Capita, 2004



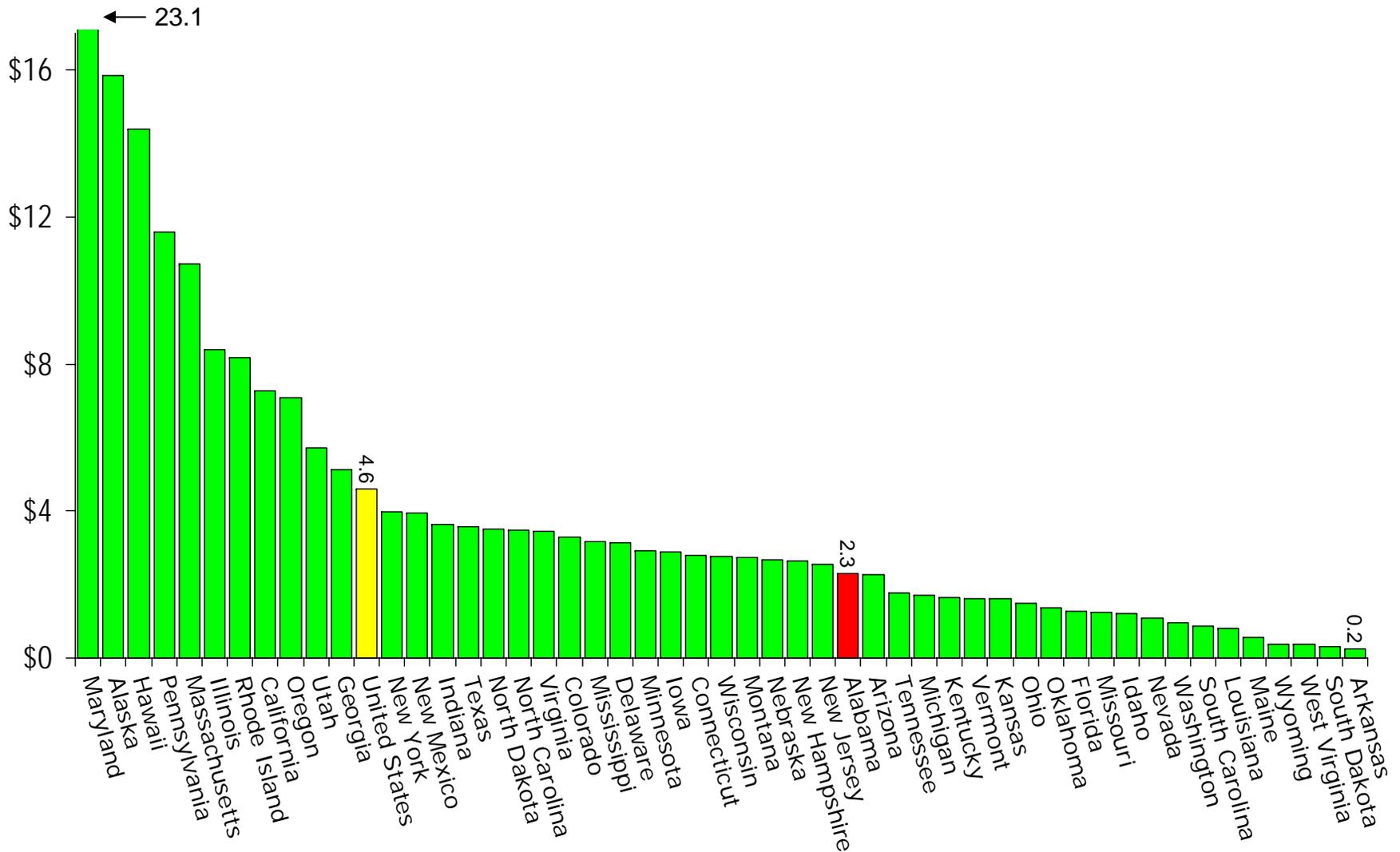
Source: National Science Foundation; U.S. Census Bureau

# Federal Engineering R&D Per Capita, 2004



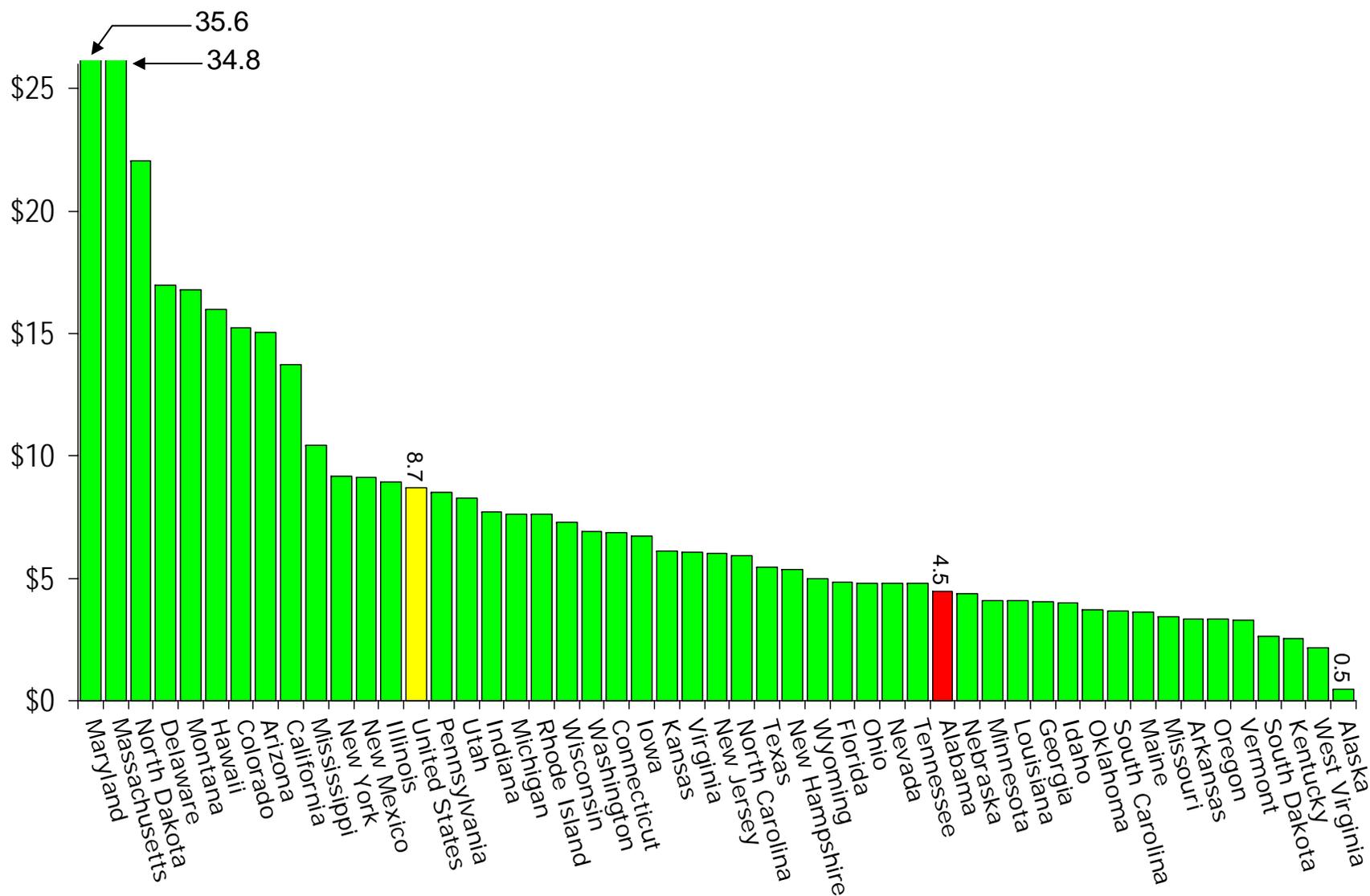
Source: National Science Foundation; U.S. Census Bureau

# Federal Math and Computer Science R&D Per Capita, 2004



Source: National Science Foundation; U.S. Census Bureau

# Federal Physical Science R&D Per Capita, 2004



Source: National Science Foundation; U.S. Census Bureau



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# Affordability

Is College Affordable to Alabama Students In Relationship to their Incomes and in Comparison To Other States? How Do Trends Compare to Other States?

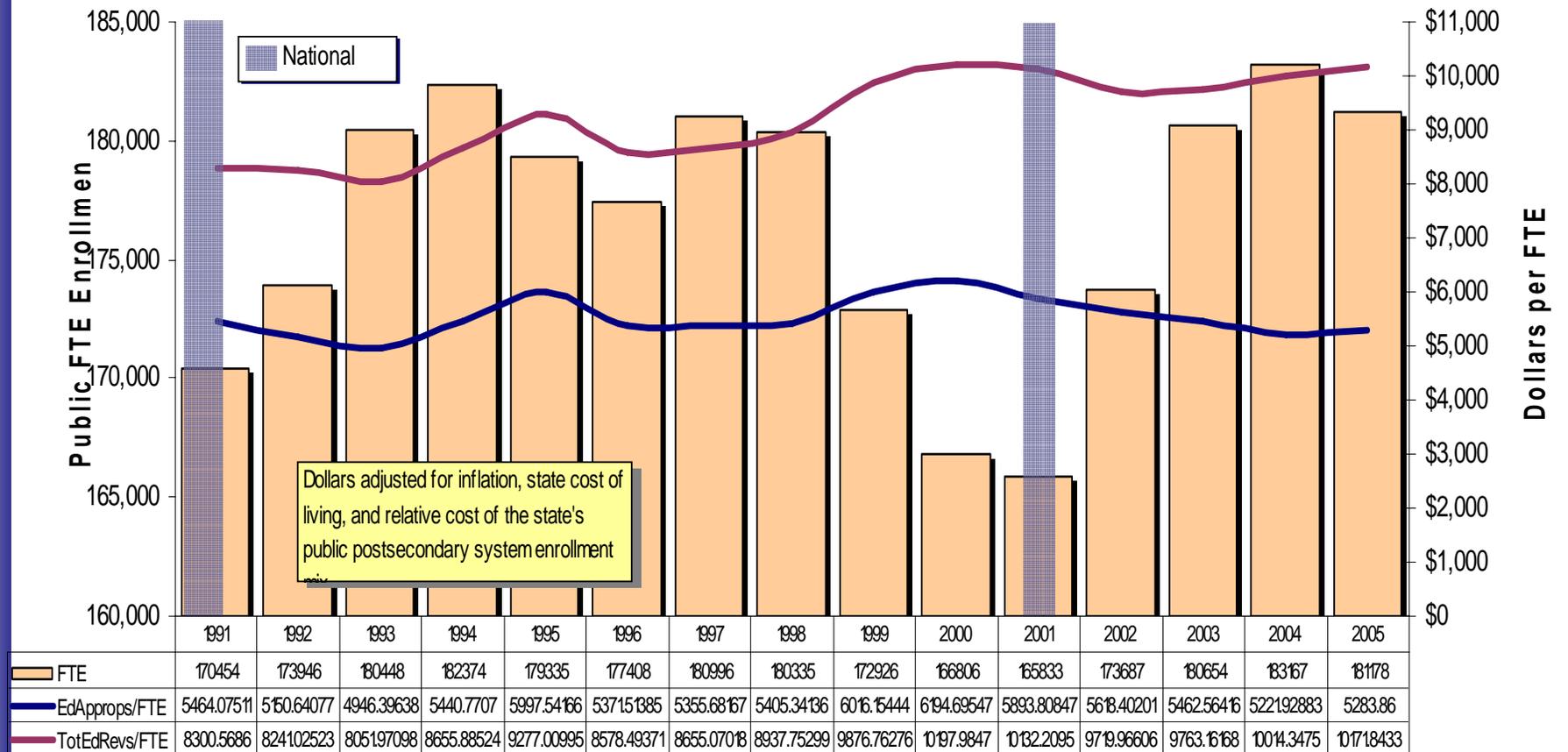
**MEASURING UP**  
**2006**  
**THE STATE REPORT CARD**  
**ON HIGHER EDUCATION**

<b>AFFORDABILITY</b>	<b>ALABAMA</b>		<b>Top States In Early 1990s</b>
	<b>1992*</b>	<b>2006</b>	
<b>Family Ability to Pay (50%)</b>			
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:			
at community colleges	<b>23%</b>	<b>24%</b>	<b>15%</b>
at public 4-year colleges/universities	<b>24%</b>	<b>26%</b>	<b>16%</b>
at private 4-year colleges/universities	<b>46%</b>	<b>53%</b>	<b>32%</b>
<b>Strategies for Affordability (40%)</b>			
State investment in need-based financial aid as compared to the federal investment	<b>2%</b>	<b>1%</b>	<b>89%</b>
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition	<b>18%</b>	<b>28%</b>	<b>7%</b>
<b>Reliance on Loans (10%)</b>			
Average loan amount that undergraduate students borrow each year	<b>\$2,881</b>	<b>\$3,553</b>	<b>\$2,619</b>

\*The indicators report data beginning in 1992 or the closest year for which reliable data are available. See the *Technical Guide for Measuring Up 2006*.

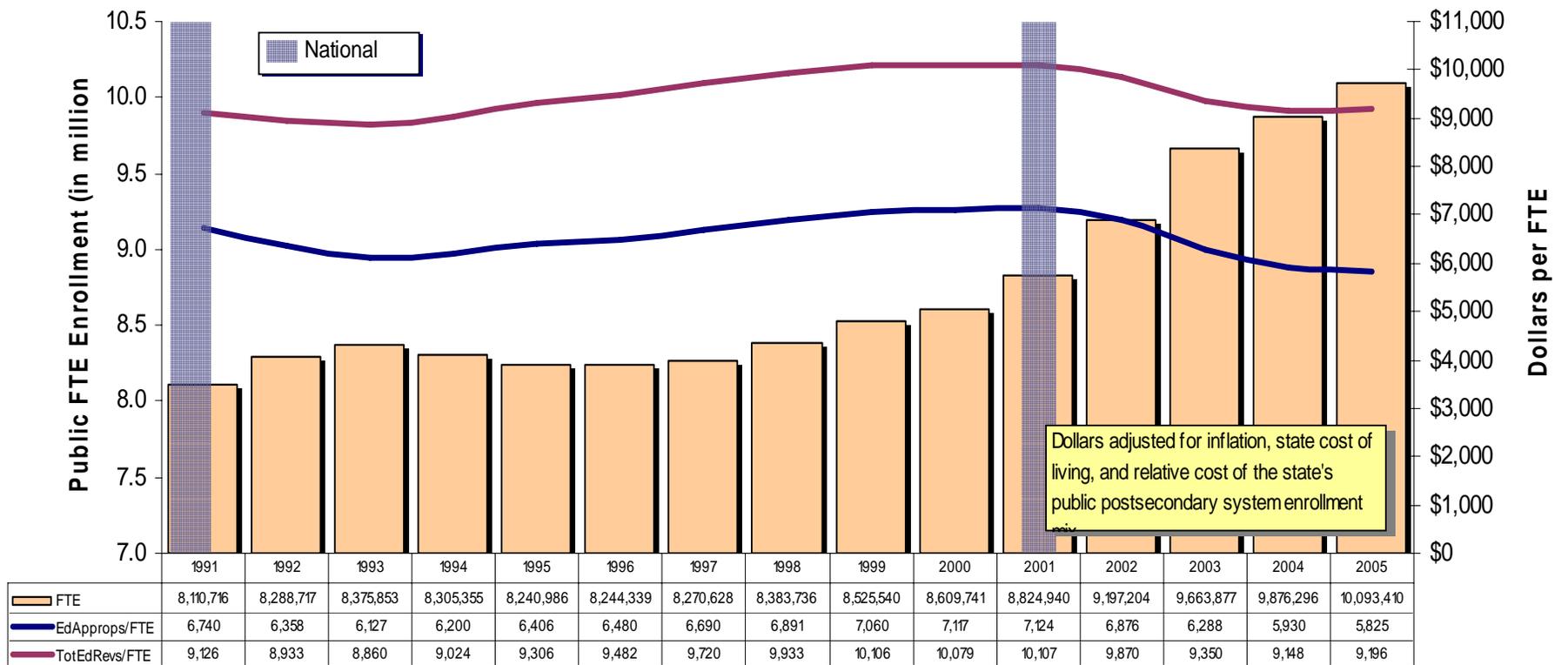
Note: In the affordability category, the lower the figures the better the performance for all indicators except for "State investment in need-based financial aid."

## Alabama Public Postsecondary Enrollment, Educational Appropriations per FTE, and Total Educational Revenues per FTE, Fiscal 1991-2005



Source: State Higher Education Executive Officers

## United States Public Postsecondary Enrollment, Educational Appropriations per FTE, and Total Educational Revenues per FTE, Fiscal 1991-2005



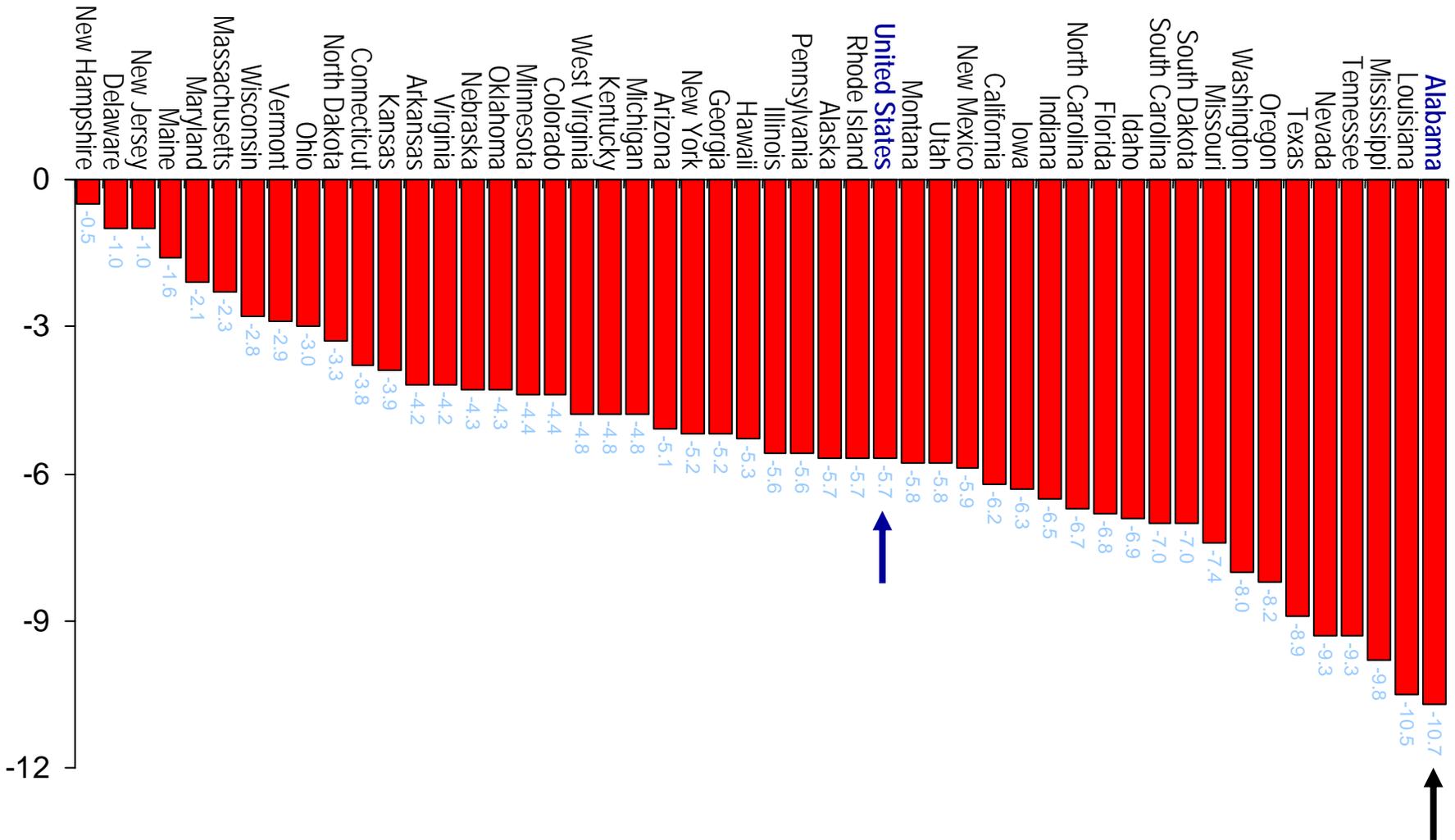
Source: State Higher Education Executive Officers



# Future State Fiscal Conditions

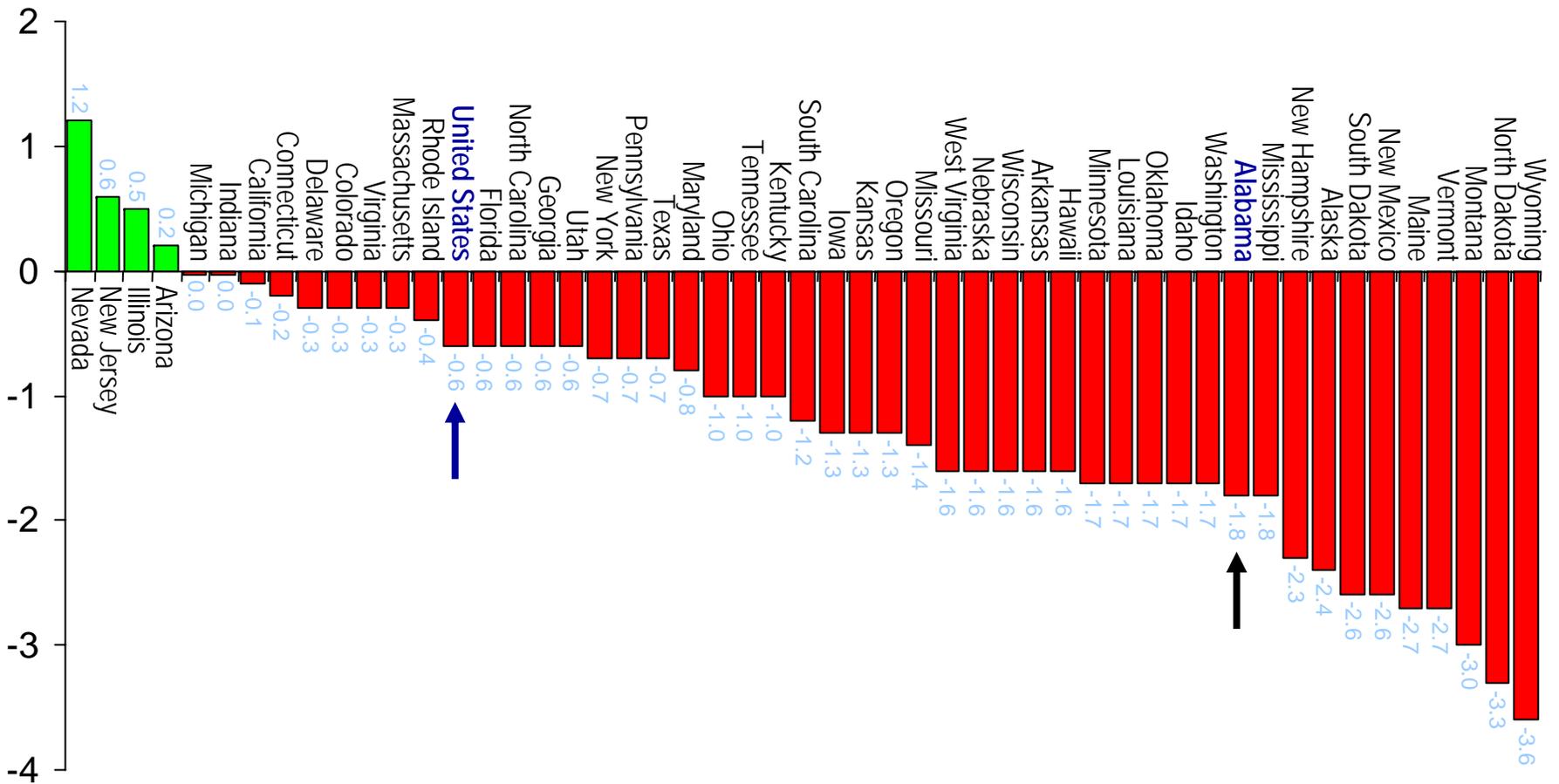
What are the Projected Long-term  
Prospects for State Financing?

# Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2013



Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005

# Projected Ratio of Spending for Higher Education to Spending for All Other Programs, 2013



Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005

## Appendix C

### Eighth Quadrennial Evaluation Committee Survey Alabama Commission on Higher Education

#### I. **Your Position** (check one)

- Faculty/administrator in college or university
- Member of campus or system board of trustees
- Member of state legislature
- Civic, media, business leader
- Other

#### II **General Questions on the Role and Effectiveness of the Commission**

(If you have no opinion on the question or no opportunity to develop an opinion, please check that option with each question.)

- A. What are the two or three most significant issues facing the State of Alabama that are being addressed or should be addressed by postsecondary/higher education?
- No opportunity to observe or no opinion.

- B. What actions have the Alabama Commission on Higher Education taken in the past five years to ensure that postsecondary/higher education addresses the issues identified in A?
- No opportunity to observe or no opinion

- C. What could the Commission do that it has not done to ensure that postsecondary/higher education addresses the issues identified in A?
- No opportunity to observe or no opinion

- D. What are the most important impediments to the ability of the Commission to provide leadership in efforts of postsecondary/higher education to address the issues identified in A?
- No opportunity to observe or no opinion

**III. Evaluation of Commission Responsibilities**

Using the response categories and scale provided in Columns 1 and 2 please indicate your assessment of Commission effectiveness in each of the statutory responsibilities specified below. In Column 3, in your view, please rank the importance (from 1 being the most important to 12 being the least important) of the functions listed below.

- 4 - Highly Effective
- 3 - Adequately Effective
- 2 - Moderately Effective
- 1 - Not Effective
- No - Not observed or no opinion

(1) Function	(2)					(3) Ranking by Importance
	No	1	2	3	4	
Analyzing and evaluating present and future needs for instruction, research, and public service in postsecondary/higher education	<input type="checkbox"/>					
Developing and implementing a long range plan for postsecondary/higher education	<input type="checkbox"/>					
Establishing a university and college information system	<input type="checkbox"/>					
Reviewing and approving/disapproving proposals for new programs or units of instruction	<input type="checkbox"/>					
Reviewing and approving/disapproving proposals for off- campus offerings	<input type="checkbox"/>					
Reviewing existing programs and units of instruction, research, and service	<input type="checkbox"/>					
Developing and presenting a unified budget to governor/legislature	<input type="checkbox"/>					
Planning and conducting special studies, surveys, and evaluations related to postsecondary/higher education	<input type="checkbox"/>					
Developing and recommending legislation to insure high quality education in the state	<input type="checkbox"/>					
Advising the governor, at his request, regarding postsecondary/higher education matters	<input type="checkbox"/>					
Studying and making recommendations on public institution role and scope	<input type="checkbox"/>					
Operating student aid programs for the state	<input type="checkbox"/>					

**ACHE Survey**

**Page 3**

B. Are there functions that the Commission should perform that it is not now performing?

C. What functions, if any, could be discontinued?

