



TO: Higher Education Committee
FROM: John L. D'Agati
SUBJECT: Using data to inform decisions for approval or disapproval of Master Plan Amendments

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AUTHORIZATION(S):

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SUMMARY

Issue for Discussion

Should the Board of Regents consider output data as part of the approval of master plan amendments?

Reason(s) for Consideration

Required by State Regulation

Proposed Handling

This question will come before the Higher Education Committee for discussion at its March 2013 meeting.

Procedural History

The Office of Higher Education (OHE), along with the Office of the Professions (OP), reviews all credit-bearing programs proposed by institutions of higher education (IHEs). Many of these reviews require master plan amendments (MPAs), or new program registrations that represent a significant expansion of an institution's academic mission.

In recent months, several members of the Board have voiced concerns over approving proposed new programs for institutions viewed as having a weak record of performance, or if the amendment might dilute the student base upon which existing programs depend.

Background Information

The registration of programs offered by IHEs is based on quality standards in Title 8, Chapter II of the Regulations of the Commissioner of Education. For example, Section 52.2 lists the standards for registration of undergraduate and graduate curricula. The standards cover the following elements:

- (a) Resources – financial; physical; equipment; library.
- (b) Faculty – competence and credentials; sufficient in number; a core of faculty serves full-time at the institution.
- (c) Curricula and awards – credit awarded for college-level work; courses offered with sufficient frequency; minimum requirements per degree level.
- (d) Admissions - orderly process; takes into account the capacity of the student and the capacity of the institution to serve; encourages participation from historically under-represented groups.
- (e) Administration - educational policy and its implementation are the responsibility of the institution's faculty and academic officers; establishes, publishes and enforces specific policies.

Some proposals for new programs require an additional level of review because they reflect a significant expansion of an institution's academic mission. These are proposals that require a master plan amendment, or MPA. In addition to meeting the noted program registration standards, proposals that require a master plan amendment are judged based on the need for the proposed program and on the program's potential effect on competing institutions. The Department may request information to assess the institution's ability to sustain both the new and existing programs.

What Requires Master Plan Amendment?

The following actions require a master plan amendment as defined by the Department:

- An institution's first program at a new level of study (e.g., first master's degree);
- An institution's establishment of a branch campus or inter-institutional program;
- At each degree level an institution's first program (associate, baccalaureate, first-professional, master's, and doctoral) in each of the following ten disciplinary areas:
 - Agriculture
 - Biological Sciences
 - Business
 - Education
 - Engineering, including engineering, architecture, and related areas.

- Fine Arts
- Health Professions
- Humanities, including humanities, area studies, classics, comparative literature, English, foreign languages, linguistics, philosophy, religious studies, theology, and related interdisciplinary studies.
- Physical Sciences, including physical sciences, astronomy, astrophysics, atmospheric sciences and meteorology, chemistry, computer science, earth sciences, geology, geophysics and seismology, mathematics, oceanography, paleontology, physics, and related interdisciplinary studies.
- Social Sciences, including social sciences, anthropology, archaeology, communication, criminology, economics, geography, history, political science, psychology, public affairs, and sociology.

The Nature of the Review: Inputs and Outcomes

The review of proposals for new programs focuses on how well the institution meets the quality standards outlined in the Commissioner’s Regulations. The institution must demonstrate that it has curriculum at an appropriate level, qualified faculty to teach the curriculum, and resources and supports to help all admitted students succeed. When a proposed program requires an MPA, the Department canvasses competing institutions to provide them an opportunity to comment on the need and demand for the proposed program(s) and the potential effect on their institution. This occurs only after the Department has determined the proposal meets the minimum program registration standards.

Following the canvass process, the Department submits the proposed MPA to the Board of Regents for action. If the Regents approve the MPA, the Department registers the program.

In general, the Board has deferred to fostering an open and competitive marketplace for higher education. “Need” and “demand,” for example, can be seen in broad terms and may encompass an institution’s need to establish a program to achieve or maintain a position in the marketplace—even if there are sufficient slots for students at existing programs. On the other hand, a proliferation of programs that carry expectations for specific career opportunities could mislead students.

The standards for program registration focus on inputs. This is understandable given that the Department is asked to assess the institution’s capacity to launch and sustain a new program. In this case, there are no program-specific outcomes yet on which to base a decision. The Department will make a determination instead by assessing the presence and quality of elements that position the institution to succeed, e.g., faculty, resources, curriculum, and evidence of institutional commitment.

The conversation on quality assurance in higher education has shifted to measures of outcomes. We are called upon to identify the best ways to invest a finite

amount of education dollars to provide opportunities to a citizenry that increasingly needs access to higher education in order to thrive socially and economically. On several occasions we have seen degree-granting institutions propose new programs while having a poor record of success in terms of output measures, such as their overall graduation rate.

In support of this, we turn our attention to possible outcome measures, and how those measures may be applied to inform Regents decisions on the expansion of a given institution's academic mission in a manner that treats all higher education institutions equitably in an open and transparent process.

Possible Outcomes Measures and Their Use

One critical and central measure of the overall performance of an institution is its graduation rate. The advantage of using this measure is that, having been clearly defined and proscribed by the federal government it is consistently applied and comparable on a national basis. All graduation rates are calculated using first-time, full-time students. The disadvantage of using only graduation rates is that in some instances, the number of first-time, full-time students as a percentage of their total student enrollment can be very small. This is because many colleges today enroll older, returning students that bring previously earned credits with them. They may also be enrolling many more part-time students who cannot afford or are not prepared to attend college on a full-time basis. These types of students are excluded from the defined graduation rate calculation. Other possible measures that could be used to assess an institution's performance include:

- Year-to-year retention rates (persistence);
- Enrollment trends;
- Student loan default rates;
- Faculty-to-student ratios; and
- Job placement of graduates

These indicators are relied on by the federal government when evaluating an institution's financial viability in Title IV (student aid) audits, by organizations that evaluate college and university admissions (US News, College Board, Barron's), and are part of President Obama's College Scorecards.

When presenting these performance measures, IHEs would be evaluated against institutions within its sector and by type (e.g., CUNY community colleges would be compared to other CUNY community colleges). The average performance of similar institutions would be compared against the institution's performance. If the institution's performance was one or more standard deviation below the mean performance of comparable institutions, the indicator would be flagged. In addition, if an indicator has changed substantially in a negative direction during the last three years, that would also be flagged as a concern. Below are examples of tables displaying the indicators of two institutions.

Example A							RISK INDICATORS			
Indicator	INSTITUTION TREND DATA						COMPARISON		RATINGS	
	2008	2009	2010	2011	2012	3YR %Δ	Sector Avg	Inst +/- SD	%Δ	+/-SD
Faculty:Student Ratio	30	26	28			-6.7%	18.5	1.21	0	-1
Fall Enrollment: Full-time, First-Time	1198	1180	1289	1505	981	-23.9%	516	1.49	-1	0
Fall Enrollment: Total	5021	5101	6587	6689	6145	-6.7%	2311	2.49	0	0
Persistence Rate: Part-time		31.6%	31.8%	33.7%		6.6%	42.1%	-0.30	0	0
Persistence Rate: Full-time		43.8%	43.7%	47.1%		7.5%	57.1%	-0.45	1	0
% Graduating: Associate within 3 Yrs	28.8%	29.5%	29.3%	20.4%		-30.8%	33.1%	-1.41	-1	-1
% Graduating: Bachelors within 6 Yrs	36.9%	36.7%	32.8%	24.7%		-32.7%	47.1%	-1.12	-1	-1
Fiscal Year Cohort Default Rate	8.1%	9.5%				17.3%	9.9%	-0.11	-1	0
<i>SD</i>	<i>Standard Deviations from Sector Average</i>						TOTAL SCORE		-6	
RATING CRITERIA										
<i>Rating (+/-SD)</i>	<i>Flag if 1 Standard Deviation above or below the mean.</i>									
<i>Rating (% Δ)</i>	<i>Dependent upon factor.</i>									

Example B							RISK INDICATORS			
Indicator	INSTITUTION TREND DATA						COMPARISON		RATINGS	
	2008	2009	2010	2011	2012	3YR %Δ	Sector Avg	Inst +/- SD	%Δ	+/-SD
Faculty:Student Ratio	29	25	22			-24.1%	18.5	0.45	1	0
Fall Enrollment: Full-time, First-Time	578	621	564	582	652	15.6%	516	0.44	1	0
Fall Enrollment: Total	5117	5342	4938	5066	5410	9.6%	2311	2.01	0	0
Persistence Rate: Part-time		60.3%	64.9%	37.6%		-37.6%	42.1%	-0.16	-1	0
Persistence Rate: Full-time		58.4%	62.2%	64.6%		10.6%	57.1%	0.34	1	0
% Graduating: Associate within 3 Yrs	40.1%	40.6%	47.1%	42.8%		5.4%	35.4%	0.82	0	0
% Graduating: Bachelors within 6 Yrs	68.2%	66.8%	58.2%	65.5%		-1.9%	47.1%	1.15	0	1
Fiscal Year Cohort Default Rate	5.6%	5.9%				5.4%	9.9%	-1.14	0	1
<i>SD</i>	<i>Standard Deviations from Sector Average</i>						TOTAL SCORE		4	
RATING CRITERIA										
<i>Rating (+/-SD)</i>	<i>Flag if 1 Standard Deviation above or below the mean.</i>									
<i>Rating (% Δ)</i>	<i>Dependent upon factor.</i>									

Please note that each indicator will have its own specific criteria. For example, nothing will be flagged if an institution's enrollment is more than one standard deviation from the mean since being larger or smaller than the average is not a quality concern. However, a combination of certain trend data can be an indication that the institution is not performing. For example, an increase in enrollment over several years can be a sign of a strong program that is in high demand. However, if that increase in enrollment is combined with a decrease in graduation rates and an increase in default rates, or a decrease in the faculty to student ratio, there may be issues of concern that need to be explored.

Benefits of this approach:

The institution's graduation rate is a fundamental measure that represents a clear and long accepted quality standard.

- The use of other measures is consistent with national trends and ongoing reforms, and helps to provide a more complete picture of an institution's effectiveness.
- It uses objective criteria to evaluate institutions and avoids approval of new programs based on regulatory requirements that do not consider an institution's overall performance.

Challenges of this approach

- Two of the indicators - data and demand for jobs/job placements - may be inconsistent. For example, an underperforming college based on the graduation rates may be able to demonstrate high demand in its region for a new program. Alternatively, there may be a high performing institution (high graduation rates) that is requesting a new program but cannot demonstrate that there is demand for the graduates of such a program.
- An institution's graduation and retention rates are impacted by the population it serves. Focusing on certain indicators may unintentionally limit access to higher education for certain populations.

This type of process – one that establishes comparison groups for institutions based on benchmarks – should also allow for consideration of special situations, such as high demand and special needs in addition to reviewing performance measures. This would provide an effective enhancement to the approval process for master plan amendments.

Recommendation

It is recommended that the Board of Regents agree to have the Department engage the higher education community for comment on the use of graduation rates as part of the review process for master plan amendments.

Appendix: Definitions

Degree Credit Enrollment: The number of students enrolled in courses for [credit](#) and recognized by the institution as seeking a [degree](#), [certificate](#), or other formal award. High school students also enrolled in postsecondary courses for credit are not considered degree/certificate-seeking (IPEDS). Any high school students matriculated in an early college program would be considered degree/certificate-seeking.

Enrollment Trends: The percentage change in degree-credit enrollment between specified years. Depending on purpose, change in either first-time enrollment or total enrollment may be useful. Similarly, it may be useful to monitor the latest one year change, the change over several years and the consistency of the change from year to year. Specific measures can be defined for these purposes.

First-time Students: A student who has no prior postsecondary experience (except as noted below) attending any institution for the first time at the [undergraduate level](#) (IPEDS). This includes students enrolled in [academic](#) or [occupational programs](#). It also includes students enrolled in the [fall term](#) who attended college for the first time in the prior summer term, and students who entered with advanced standing (college [credits](#) earned before graduation from high school).

Graduation Rates: This annual component of [IPEDS](#) was added in 1997 to help institutions satisfy the requirements of the Student Right-to-Know legislation. Data are collected on the number of students entering the institution as full-time, first-time, degree/certificate-seeking undergraduate students in a particular year (cohort), by race/ethnicity and gender; the number completing their program within 150 percent of normal time to completion; the number that transfer to other institutions if transfer is part of the institution's mission. Data is collected separately for students initially seeking a bachelors or equivalent degree and for students initially seeking other than a bachelors or equivalent degree. The latter group is largely associate degree programs but also includes certificate programs of less than 2 years and also a few programs of at least 2 years but less than 4 years. For bachelor programs, the percent graduating within six years is typically calculated. For other than bachelor programs, the percent graduating within three years is typically calculated.

Retention Rates (Persistence): A measure of the rate at which students persist in their educational [program](#) at an institution, expressed as a percentage (IPEDS). This is the percentage of first-time [undergraduates](#) from the previous fall who are again enrolled in the current fall. Separate rates may be calculated for students entering bachelor programs or other programs and for first-time students beginning their college careers either full-time or part-time.

Student Loan Default Rates: The percentage of borrowers who fail to repay their loans according to the terms of their promissory notes. A default is failure to repay a loan according to the terms agreed to in the promissory note. For most federal student loans, default would exist if a payment has not been made in more than 270 days (U.S. Dept. of Education). The Department of Education had been calculating the percent of federal student loan borrowers who defaulted within two years after entering repayment. They

have now begun to calculate the percent defaulting with in three years and have found it to be noticeably higher for many institutions.

Student Faculty Ratio: The ratio of FTE students to FTE [instructional staff](#), i.e., students divided by staff. Students enrolled in "stand-alone" graduate or professional programs and instructional staff teaching in these programs are excluded from both full-time and part-time counts (IPEDS). "Stand-alone" graduate or professional programs are those programs such as medicine, law, veterinary, dentistry, social work, or public health, in which faculty teach virtually only graduate-level students (also referred to as "independent" programs). Each FTE value is equal to the number of full-time students/staff plus 1/3 the number of part-time students/staff.

Job Placement of Graduates: The IPEDS technical review panel has determined that at this time, a single job placement rate methodology could not be developed without further study because of limitations in data systems and available data. Further, it suggests that greater transparency about how rates are calculated be required as an interim step for institutions disclosing these rates.