

Policy Analysis

National Report Card on Higher Education

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Executive Summary

The policy instrument described in this analysis is a biennial series of reports, Measuring Up 2000, 2002, and 2004, prepared by the National Center for Public Policy and Higher Education, a non-profit, non-partisan organization located in San Jose, California. These reports focus on the fifty states within the U.S., and employ quantitative performance indicators to compare the states on six educational categories: preparation, participation, completion, affordability, benefits, and learning. Each state receives a letter grade (A through F) indicating its performance relative to top-performing states on each category, and as such is a classic benchmarking exercise.

The reports have garnered significant coverage in the media, and are used by state policymakers to examine the underlying policy issues that determine the grades. While the National Center does not advance explicit policy recommendations, the purpose of the Report Cards is to generate a conversation and further research within each state. Several states have extended the basic framework to the county-level, revealing how well (or how poorly) citizens of the state are served by their higher education systems.

The Report Cards utilize nationally collected data that are available at the state level. The Center does not undertake its own data collection. The reports have generally been well received, although officials in a few states have raised technical objections to some of the indicators. Plans currently call for release of Measuring Up 2006, but plans for publication beyond that date are uncertain. Efforts are currently underway to determine whether the methodology could be usefully extended to international comparisons.

Introduction

The National Report Card is a benchmarking exercise, focusing on the 50 states in the United States of America as the units of analysis. The Report Card assesses with quantitative data the educational performance of each of the states on six dimensions: *preparation* for higher education, *participation*, *completion*, *affordability*, *benefits*, and *learning*. The focus is solely on undergraduate education, as no indicators are included for either graduate education or research. Aggregate data from all forms of postsecondary education are incorporated, including public two-year and four-year institutions, private non-profit institutions, and (where the data allow) private for-profit institutions. No data for individual colleges or universities are reported, however; the measures are collective state data. Multiple indicators are used for each of the six categories, with each indicator weighted by its importance, and combined into a single numerical measure for each category. The result is a set of performance measures that are used to compare each state to the best-performing state on each measure, a classic benchmarking technique. Grades are assigned to each measure (A through F), allowing the report to be used by state-level policymakers to judge how well a given state is performing relative to the other 49.

The Report Card is the product of the National Center for Public Policy and Higher Education, a non-profit, non-affiliated, and non-partisan private organization located in San Jose, California. Founded in 1998, the Center is fully supported by private foundation grants, with core support from The Pew Charitable Trusts, The Atlantic Philanthropies, and The Ford Foundation; no state or federal governmental funds are involved. In that sense, the Center has no official governmental status. It provides the biennial reports on state performance as a public service, and no state agency is obligated to respond to, or even read, the reports. It is assumed, however, that the quality of the work and the salience of the measures provide useful information to policymakers as they consider policies that support and govern higher education in each state. (Information on the extent to which the states have used the reports will be discussed later.) The National Center has an appointed Board of Directors, a small professional staff, and a number of advisory committees that guide its work.¹ Former governor of North Carolina, James B. Hunt, Jr., serves as chairman of the Board, while Patrick M. Callan serves as the president.

Policy Problem

The National Center was created and supported to be an independent, non-partisan voice in the debates about higher education policy. The decision to create a National Report Card emerged from discussions that the leadership held around the country in 1998 and 1999, seeking advice and comments on how a small organization could speak to issues of higher education policy in all 50 states. It was noted in several of those meetings that report cards (or similar benchmarking techniques) have operated effectively in areas such as medical care and social welfare, and thus the first step was to determine whether a 50 state report card on higher education was feasible. It was

¹ Membership of these groups can be found at the National Center's website: www.highereducation.org.

decided early on that such a report card would have to be constructed from existing data sources, as the Center did not have sufficient funds or staff to undertake independent data collection. In 1999, a small advisory group met several times with Center staff to design and implement a pilot project, using 10 states and relying heavily on nationally collected data from such agencies as the National Center for Education Statistics and the Census Bureau. The pilot studies indicated that sufficient data sources existed to make the project a reality, and the first Report Card was issued in the year 2000. The central problem was to locate relevant and comparable data at the state level; many data sources report information on the national level, but the underlying surveys often are not large enough to provide adequate data at the state level.² The feasibility committee also had to consider such issues as the interstate migration of students, and the differences among states in the structures of their higher education systems, in particular the extent to which states differ in their reliance on private institutions and community colleges in achieving educational opportunities. The pilot study indicated that, while some of these problems would remain, a meaningful set of measures, as designed by the committee, could be assessed quantitatively at the state level, and the Board of Directors authorized the Center to undertake the Report Card as its central project. Reports have been issued subsequently in 2002 and 2004, and funds are in hand for publication of a 2006 report.

It should be noted that the National Center is not intended to continue in perpetuity; while no definite date has been determined when it will shut its doors, at some point that will happen. Whether another organization will decide to continue producing the Report Card is unknown at this time, although the developmental work has been completed and the Report Card is designed now for publication on a web site, precluding the need to produce expensive, book-length products. If it has demonstrated its value, one hopes that another agency will pick up the project and continue web-based publication in years beyond 2006.

Content of the Policy Instrument

As noted earlier, the Report Card assesses six measures of educational performance—preparation, participation, completion, affordability, benefits, and learning. Each measure is made up of several underlying quantitative indicators that are weighted and aggregated into a score for each state on each measure. In identifying indicators for each measure the Center was limited to those data that are available at the state level, which constrained the choices one might have made in an ideal world. Nonetheless, a good number of reasonable and relevant indicators were found, and while additional data could improve the quality of the Report Card (and some of those data elements will be discussed subsequently), the result has clearly passed the test of face validity and plausibility within the policy community.

² This problem continues to plague aspects of the project, which will be noted accordingly in the text.

Preparation: The indicators that make up the measure of preparation for postsecondary education (and the weights in parentheses) include:

High School Completion (20%)

K-12 Course Taking (35%)

- 9th to 12th graders taking at least one upper-level math course
- 9th to 12th graders taking at least one upper-level science course
- 8th grade students taking algebra
- 12th graders taking at least one upper-level math course

K-12 Student Achievement (35%)

- 8th graders scoring at or above “proficient” on the national assessment exam in math, in reading, in science, and in writing
- Low-income 8th graders scoring at or above “proficient” on the national assessment exam in math
- Number of scores in the top 20% nationally on SAT/ACT college entrance exam per 1,000 high school graduates
- Number of scores that are 3 or higher on an Advanced Placement subject test per 1,000 high school juniors and seniors

Teacher Quality (10%)

- 7th to 12th graders taught by teachers with a major in their subject

Participation: The indicators that make up the measure of participation in postsecondary education (and the weights in parentheses) include:

Young Adults (60%)

- Chance for college by age 19
- 18- to 24-year-olds enrolled in college

Working-Age Adults (40%)

- 25- to 49-year-olds enrolled part-time in any type of postsecondary education

Completion: The indicators that make up the measure of completion of post-secondary education (and the weights in parentheses) include:

Persistence (20%)

- 1st year community college students returning their second year
- Freshmen at 4-year colleges/universities returning their sophomore year

Completion (80%)

- First-time, full-time students completing a bachelor’s degree within 6 years of college

entrance
Certificates, degrees, and diplomas awarded at all colleges and universities per 100
undergraduate students

Affordability: The indicators that make up the measure of affordability for post-secondary education (and the weights in parentheses) include:

Family Ability to Pay (50%)

Percent of income (average of all income groups) needed to pay for college expenses minus financial aid at community colleges, at public 4-year colleges and universities, and at private 4-year colleges and universities

Strategies for Affordability (40%)

State investment in need-based financial aid as compared to the federal investment
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition

Reliance on Loans (10%)

Average loan amount that undergraduate students borrow each year

Benefits: The indicators that make up the measure of benefits from post-secondary education (and the weights in parentheses) include:

Educational Achievement (37.5%)

Population aged 25 to 65 with a bachelor's degree or higher

Economic Benefits (31.25%)

Increase in total personal income as a result of the percentage of the population holding a bachelor's degree

Increase in total personal income as a result of the percentage of the population with some college (including an associate's degree), but not a bachelor's degree

Civic Benefits (31.25%)

Residents voting in national elections

Of those who itemize on federal income taxes, the percentage declaring charitable gifts

Increase in volunteering rate as a result of college education

Adult Skills (0%)³

Adults demonstrating high-level literacy skills, quantitative, prose, and document

³ This indicator is an example of a data problem, in the underlying National Adult Literacy Survey was last conducted in 1992, and although those data were used in the 2000 and 2002 Report Cards, they were deemed too far out of date to use in 2004. A new National Assessment of Adult Literacy has been recently conducted, but may prove difficult to extend to the state level.

Learning: This category was graded as incomplete in both 2000 and 2002, as the country has no well-defined indicators at the state level that measure college-level learning. With support from The Pew Charitable Trusts, staff of the National Center and outside consultants began exploring this topic to determine whether some collection of existing tests and new instruments might be assembled to provide indicators for the learning category. A National Forum on College-Level Learning was organized under the auspices of the National Center in November 2001, and a broad group of participants, including educators, business people, and state and federal policymakers, reviewed the initial work and agreed that the topic was sufficiently important that it should be pursued to a pilot phase. That work was accomplished, and the Report Card for 2004 did contain results from the pilot effort in five states—Illinois, Kentucky, Nevada, Oklahoma, and South Carolina.

Essentially, the pilot effort developed three broad types of indicators of learning—literacy levels of the state population, graduates ready for practice, and performance of the college educated. For the first indicator, the Center used the 1992 National Adult Literacy Survey (NALS) for residents ages 25 to 64, updated using the 2000 census, and weighted at 25%. The second indicator involved the use of various licensure examinations, competitive admissions tests, such as the Graduate Records Examination and the Medical School Admissions Test, and measures of teacher preparation. Finally, for the third indicator, the WorkKeys assessment administered by the American College Testing Service was used for two-year institutions, and the Collegiate Learning Assessment (CLA) developed by an offshoot of the Rand Corporation, was used for graduates of four-year colleges. For both WorkKeys and CLA, the Center engaged a sample of colleges and universities in the five states and arranged for the tests to be administered to a representative sample of students. Given that the Center’s general operating policy is not to collect original data itself, future efforts to measure learning will have to be done by the states themselves, but the Center has demonstrated the way forward. A forthcoming publication of the National Center, Measuring Up on College-Level Learning, by Margaret A. Miller and Peter T. Ewell, provides considerable information on the results and issues confronted in the five pilot states, and will be a valuable resource for anyone seeking further information in this area.

Implementation

As noted, the Center has now had experience producing and disseminating three Report Cards, for the years 2000, 2002, and 2004. Each time one has been published, a new set of issues and complications have been encountered. Most of the issues have surrounded the fact that the first Report Card was a one-time snap-shot, while each successive version opens up the potential for longitudinal analyses, i.e., comparisons of 2002 to 2000 within the same state, rather than simply comparing states against each other. Any group undertaking a similar exercise would encounter the same issues, but it is fair to say that many of the issues raised by subsequent reports were not originally foreseen. The result has been a series of hard decisions that have been made as each new project is underway.

For the first Report Card, the key tasks were assembling the data, dealing with missing observations, and refining the aggregation techniques. Each indicator was tabulated, and the weights that had been determined by consensus and best judgment were then applied to each indicator—as

indicated earlier, the weights sum to 100%⁴. State results on each indicator were then converted to a scale from 0 to 100, a statistical method that allows for accurate comparisons of different measures. The top five states on each indicator were seen as high, but achievable, measures of performance. In practice, the median of the top five was assigned a score of 100, meaning that potential outliers were eliminated. Finally, each state's score for each category was calculated using the index score on the indicator's and the indicator weights. Once again, the raw category scores are scaled on a 0 to 100 basis, and grades were assigned to each state in each category using the standard A through F scale common to public schools. When the exercise was finished, each state received five letter grades (A through F) and an incomplete in the category of learning.

This technique differs from ventures of a similar sort in which absolute standards of performance are determined abstractly, and each entity is measured against that standard. In the Report Card, the highest grades are not determined abstractly, but rather represent actual performance delivered by each state. The benchmarking, therefore, is against best practice rather than against a standard that no state may have achieved. The creators of the Report Card believe that this method removes the objection that arbitrary standards have been applied.

Having produced the first Report Card, entitled Measuring Up 2000, the next task was to publicize and explain it to the higher education community, the policy community, and to the media. Unlike many private research and policy organizations, the National Center has devoted considerable resources to outreach and public relations. The president has met with numerous editorial boards of newspapers, a professional public relations firm worked on the press releases, with one tailored explicitly to each state, and the C-Span television network covered the press release of the first Report Card, an event held at the National Press Club in Washington, D.C. Several members of the Board of Directors were present, as were key staff and consultants. The effort was rewarded with wide coverage in the press, with the central message being that opportunities for higher education vary widely among the states. In other words, one's chances for higher education depend to a disturbing degree on the state in which one happens to live. This message was portrayed vividly with colored maps identifying the high and low scoring states on each measure.

A fascinating aspect of the launch was the reaction of the higher education community, particularly as represented by the national associations of colleges and universities. Before the release, there was considerable nervousness about the Report Card, reflecting a fear that the institutions of higher education would be under attack and poorly graded. It took some time for people to realize that no institution was named, and that indeed, the focus was on state performance, not institutional performance. Once that realization sank in, most college and university presidents simply turned their backs on the report, seeing it as not doing much to help them, as institutions were not identified. In a few instances (Georgia and New York most prominently) there was strong criticism of the grades, particularly the low grades received in the category of affordability. Georgia higher education officials were upset because the method of calculating affordability gave minimal credit to the HOPE scholarship program, a merit-based scholarship that does little to enhance affordability for low-income

⁴ Before the first Report Card was released, the National Center convened a panel chaired by Professor Michael Nettles, to review the weights and suggest changes if necessary. Although a few adjustments were made, the panel argued that the weights were justified based on relevant research.

students. New York officials argued that their state student aid program was not recognized sufficiently by the Report Card methodology; once again, the issue has to do with how those funds are distributed, and the impact they make in reducing net cost relative to family income. But beyond some of these debates, the general response of leaders of higher education was to ignore the report, not seeing how they could use it to their advantage.

An important point emerged from reaction to the first Report Card. At least since W.W. II, most of the policy debate about higher education in the states has focused on the institutions and how well (or how poorly) they are supported, how many new colleges were needed, where they should be built, their missions, and so forth. The Report Card takes a radically different approach, focusing instead on the citizens of the state and the opportunities they have (or do not have) for higher education. This is not the policy discussion with which most higher education leaders are familiar, and the de-centering of the institution from the heart of the conversation was a blow. Indeed, the National Center has taken the unusual stance of focusing its efforts on state policymakers rather than on college and university presidents, and only time will tell whether this effort to change the nature of the state higher education policy debate takes root. Early evidence suggests that this new direction is finding a ready audience in several states.

Having produced a successful first Report Card, the Center began work on the 2002 report, and realized as the data were being assembled that now one could not only compare the states to each other in a given year, but one could also determine whether performance in each state in 2002 was improved or declining relative to 2000. This observation posed a communications challenge, as the designers argued that, on the one hand, it was important to replicate the basic design of the first Report Card for comparability purposes, but also that change over time within a state was at least as significant a measure as inter-state comparisons. Furthermore, some of the measures (particularly affordability) were objectively getting worse, but the benchmarking approach still required that best practice states be given an A grade. Thus, a state could receive a top grade (even a better grade than in 2000) while actually performing less well. The metaphor that eventually was adopted was that of a race—individual runners might be doing better in the race in 2002 than in 2000, but if other runners outstripped them, their relative standing would decline, and it was the relative standing that determined the letter grade. The second Report Card, Measuring Up 2002, made a valiant effort to communicate this complicated situation, but the designers realized that they had a substantive problem to solve. If grades were to be used, then a move by a state from a C to a B should mean objective improvement over time, rather than just relative gain (or even loss). The grades were in danger of not revealing directly and simply the information they were intended to convey. The solution came in the third Report Card, Measuring Up 2004.

In the third version, the designers extended the measures back 10 years, to give each state a base-line measure in 1992. That allowed each state to be judged in 2004 not only in comparison to other states in that year, but over a decade against their own earlier performance. The Center published short reports for each state that provided both the current results as well as the 10-year change. Comments received from the field indicate that this blend of current comparison together with time-trend data provides the most useful information to date. As the 2006 Report goes into production, new challenges will undoubtedly arise, but the designers by necessity are becoming adept at finding creative solutions.

Over time other issues have arisen, generally involving data problems, as a survey question may be changed from one year to the next, or a data element may be dropped, or updated surveys not provided. For example, the National Adult Literacy Survey is conducted every 10 years, and while the Center decided it could use older data on adult literacy in Measuring Up 2000 and 2002, by 2004 the data were so out of date that the indicator had to be dropped. Similar data problems bedeviled one part of the affordability measure, as availability of data required to determine net cost after financial aid became a problem. In some cases, however, new indicators become available; an example would be the indicator on teacher quality, used for the first time in 2004⁵. On the one hand, it is important to improve the data underlying the graded categories; on the other hand, adding a new indicator means altering the weights and reduces comparability over time. The technical reports accompanying each Report Card give detailed information on how each problem was handled, and can be found on the National Center's web site. Communicating changes without losing the reader in a shower of technicalities remains a constant challenge for this sort of exercise.

Impact

It is difficult to determine the impact of a project such as this one, as one can never trace precisely the changes in thinking that the Report Cards may have produced. One approach is to examine the media coverage that the Report Cards have achieved, for if the reports failed to gain substantial press coverage, that would be likely to reduce their impact. The National Center has carefully collected information on media coverage; for Measuring Up 2004, their statistics show that 2,030 newspaper articles covered the report, including 282 editorials, 38 op-ed pieces, and 34 columns across the country. Coverage was also excellent in the major papers, such as the *New York Times*, *USA Today*, the *Los Angeles Times*, the *Washington Post*, the *Chicago Tribune*, and the *Dallas Morning News*. At least 474 television news segments covered the report, including "CNN Headline News" and the "News Hour with Jim Lehrer." Radio and internet coverage were also strong. Most significantly, this third report in the series garnered considerably more coverage than the previous two, indicating a growing familiarity with the report on the part of the media, and the sense that the message is important.

Among the states, the response has varied from largely ignoring the reports to making active use of them. Several states, including New Mexico and Oklahoma, have borrowed the format and put out their own state-focused reports, often incorporating state data that are not available in all 50 states, but which give policymakers a better sense of how a given state is doing. One form of follow-up has been creation of the National Collaborative for Postsecondary Education -- co sponsored by the National Center, The National Center for Higher Education Management Systems (NCHEMS), and the Education Commission of the States (ECS). This entity has been the primary vehicle for state follow-up, supported by a grant from the Pew Charitable Trusts to the three

⁵ In 2004, the National Center convened an expert panel to review additional indicators that were being considered for inclusion, particularly in the areas of teacher quality and adult learning. The result was inclusion of a new indicator for teacher quality, but no change with the indicators of adult learning.

organizations. The five states involved are: Washington, Virginia, Rhode Island, Missouri and West Virginia. In each of these states the NCHEMS "drill down" methodology was used, providing results at the county-level on each of the Measuring Up categories. This effort was followed by "policy audit" discussions around the state with local education, business and political leaders. Feedback from these local meetings was given to a statewide leadership group that each state had to form, including the governor, business, community, public/private 2 and 4 year college university leaders, and K-12 state leaders. This group then determined the priorities, based on the "drill down" exercise and policy audit, for policy focus and change. The Educational Collaborative program ends in December 2005. Results have varied depending upon state leadership --- definitely more effective when the governor was involved significantly or chaired the leadership group, as in Virginia and Rhode Island.

In addition, the National Center has worked directly with many more states on one or more of these issues (Kentucky, South Carolina, Arizona, Oregon, Pennsylvania, Oklahoma, to name a few), and is currently working in-depth in Minnesota through the Governor's office to address access and affordability issues.

As a further indication of impact, several national organizations, including the National Conference of State Legislators and the Committee for Economic Development, have devoted resources to producing guides to the Report Card, designed and published for their members. A recent example, just released, is the CED report, "Cracks in the Education Pipeline: A Business Leader's Guide to Higher Education Reform."⁶ The NCSL publication is entitled "The Legislator's Guide to the National Report Card on Higher Education."

A further strategic point about the Report Cards should be noted. No policy recommendations are included in the reports; the data are presented, the state comparisons are made, and the presumption is that the information should start conversations within each state regarding its relative performance, and how it might improve. Indeed, the National Center sees its role primarily is moving the policy debates within states forward, while not prescribing any particular set of policies to be adopted. For example, in the first Report Card, two of the states that received A grades in affordability were Illinois and North Carolina. In the case of Illinois, the policy tool was a well-funded program of need-based student financial aid; in North Carolina, the policy tool was relatively low tuition. The Center's report simply demonstrated that there is more than one way to achieve affordability, and circumstances in each state may determine which approach works best in a given state context. In short, the National Center's efforts will be seen as successful if the states investigate and work on the issues measured by the Report Card, and not on the choice of a single set of policy options.

⁶ Committee for Economic Development, "Cracks in the Education Pipeline: A Business Leader's Guide to Higher Education Reform," (Washington, D.C.: CED, May, 2005).

Costs

Over the two year development of Measuring Up, the National Center spent about \$1.5 million, all costs calculated, including staff and consultant time. After that, for each of the subsequent issue the Center spent about \$1 million. Core funders have included The Pew Charitable Trusts, The Ford Foundation, and Atlantic Philanthropies. In addition, The John S. and James L. Knight Foundation, The Carnegie Corporation of New York, The John D. and Catherine T. MacArthur Foundation, the William R. Kenan, Jr. Charitable Trust, and the Andrew W. Mellon Foundation provided support for specific aspects of the project.

Comparison

The closest reports to those of the National Center are those prepared by the OECD, entitled Education at a Glance.⁷ These periodic publications report on educational trends in the OECD countries, although the apparatus of benchmarking to best practice and providing letter grades is not used in those reports. Individual OECD countries however, such as Ireland and the Netherlands, have undertaken benchmarking exercises that rely on comparisons with “peer” countries. The National Center has recently commissioned Dr. Alan Wagner, an economist who worked at OECD for many years, to prepare a paper indicating how the Center’s Report Card measures could be integrated with the OECD data to generate comparative international measures of higher education performance.

Wagner notes that several OECD countries are roughly the same size as individual states within the U.S., suggesting that comparisons of countries with states make have some value. He points out, however, that countries such as France, Germany, Italy, Poland, and the U.K. are larger, by an order of magnitude, than California, New York, and Texas.⁸ Other large OECD countries are Mexico, Canada, Japan, and Korea. As Wagner’s work progresses to publication stage, it will be possible to learn more about how the Measuring Up reports can be used effectively to enhance international comparisons of educational performance.

A second project worth noting is the recent publication of the Educational Policy Institute, a private, non-profit organization with offices in the U. S., Canada, and Australia, entitled Global Higher Education Rankings: Affordability and Accessibility in Comparative Perspective.⁹ This report builds on measures of tuition and fees, student maintenance costs, financial aid and public subsidies (including tax expenditures), GDP per capita, and relevant participation and population statistics for several countries. EPI apparently expects to continue this publication, which reflects the growing interest in these types of measures.

⁷ OECD (2004), Education at a Glance (OECD, Paris, France, 2004).

⁸ Alan Wagner, “*Measuring Up, Internationally*” unpublished draft report prepared for the National Center for Public Policy and Higher Education, May 2005.

⁹ Alex Usher and Amy Cervevan, “Global Higher Education Rankings” (Educational Policy Institute: Toronto, 2005)

Resources for Policymakers

- **National Center for Public Policy and Higher Education**
www.highereducation.org

[The National Center's web site contains a detailed list not only of its own publications but also web links to dozens of other organizations that monitor and report data on higher education in the U. S. and abroad.]

- P.T. Ewell (2005) "Power in Numbers: The Values in Our Metrics." *Change*, July/August: 10-16.
- **Measuring up 2004**
 - Measuring up 2004 website
<http://measuringup.highereducation.org/default.cfm>
 - Technical Guide Documenting Methodology, Indicators, and Data Sources for Measuring up 2004
http://measuringup.highereducation.org/docs/technicalguide_2004.pdf
 - Example: Measuring up 2004 - North Carolina (follows)

MEASURING UP

2004

**THE STATE REPORT CARD
ON HIGHER EDUCATION**

NORTH CAROLINA



**THE NATIONAL CENTER FOR
PUBLIC POLICY AND
HIGHER EDUCATION**

WHAT IS MEASURING UP?

This state report card is derived from *Measuring Up 2004*, the national report card for higher education. Its purpose is to provide the public and policymakers with information to assess and improve postsecondary education in each state. *Measuring Up 2004* is the third in a series of biennial report cards.

Measuring Up 2004 evaluates states on their performance in higher education because it is the states that are primarily responsible for educational access and quality in the United States. In this report card, “higher education” refers to all education and training beyond high school, including all public and private, two- and four-year, for-profit and nonprofit institutions.

The report card grades states in six overall performance categories:

■ **Preparation:** How adequately are students in each state being prepared for education and training beyond high school?

■ **Participation:** Do state residents have sufficient opportunities to enroll in education and training beyond high school?

■ **Affordability:** How affordable is higher education for students and their families?

■ **Completion:** Do students make progress toward and complete their certificates and degrees in a timely manner?

■ **Benefits:** What benefits does the state receive as a result of having a highly educated population?

■ **Learning:** What is known about student learning as a result of education and training beyond high school?

Each state receives a grade in each performance category, and the grades are based on the state’s performance on several indicators, or quantitative measures, in each category. Most states receive an “Incomplete” in learning because there are no common benchmarks that allow for state-by-state comparisons in learning. Five states, however, receive a “Plus” in learning to highlight their work in developing measures to evaluate the state’s educational capital—that is, the reservoir of high-level knowledge and skills

that the state’s population has attained. For more information about this, see page 12 of this state report card.

In four of the performance categories—preparation, participation, completion, and benefits—grades are calculated by comparing each state’s current performance to that of the best-performing states. This provides a basis for assessing and comparing each state’s performance in the national context and encourages each state to “measure up” to the highest performing states.

In the affordability category, however, the nation as a whole is “measuring down.” That is, even in the best-performing states, higher education has become *less* rather than *more* affordable when the costs of attending college are considered in relation to family income. As a result, grades in the affordability category are calculated by comparing each state’s current results to the performance of the top states *a decade ago*. This enables policymakers to examine their state’s results in relation to other states, while also encouraging improved performance over time. A glance at the table of state grades on page 15 reveals that the affordability category is the only one in which no state receives an A.

Measuring Up 2004 also compares each state’s current results with its own performance a decade ago. Although this historical information is not graded, it is offered to allow states to examine their improvements and declines in performance. In gathering information for this period, information from 1992—or the closest year available—is compared with the most recently available data. All information was collected from national, reliable sources, including the U.S. Census Bureau and the U.S. Department of Education. (For more information about grading, data collection, and sources, please see the technical report at www.highereducation.org.)

This state report card begins by summarizing the state’s performance today compared with ten years ago, and by presenting key policy questions that these results suggest for the state. Next, the state’s performance in each category is described in greater detail, followed by additional contextual information.

A Snapshot of Improvement Over the Past Decade

High school graduates are, in general, better prepared for college today than their peers were a decade ago. However, most states, and the nation as a whole, have made little progress in translating these gains into improvements at the college level.

Preparation: 44 states improved on more than half of the indicators; 6 improved on some of the indicators.

Participation: 8 states improved on more than half of the indicators; 23 improved on some of the indicators; 19 declined on every indicator.

Affordability: 2 states improved on more than half of the indicators; 31 improved on some of the indicators; 17 declined on every indicator.

Completion: 37 states improved on more than half of the indicators; 9 improved on some of the indicators; 4 declined on every indicator.

Benefits: 41 states improved on more than half of the indicators; 8 improved on some of the indicators; 1 declined on every indicator.

Learning: 45 states receive an “Incomplete”; 5 states (Illinois, Kentucky, Nevada, Oklahoma, and South Carolina) receive a “Plus.”

For more information about improvement, please see *Measuring Up 2004: The National Report Card on Higher Education* at www.highereducation.org.

North Carolina has made gains in preparing students for college over the past decade. During the same period, the likelihood of 9th graders enrolling in college immediately after high school has increased. However, a smaller percentage of students graduate from high school, compared with a decade ago, and a smaller percentage of low-income students enroll in higher education. North Carolina has lost ground in providing students and families with an affordable higher education.

Strengths

Preparation

■ North Carolina is a top-performing state in the percentage of high school students taking upper-level math, and this percentage has increased substantially over the past decade.

■ During the same period, the percentage of 8th graders performing well on national math assessments has increased substantially, making North Carolina the fastest improving state on this measure.

■ Large proportions of 11th and 12th graders take and score well on advanced placement; the state has dramatically improved on this measure as well, outpacing the national increase.

■ North Carolina is a top-performing state in the percentage of secondary school students (81%) taught by qualified teachers. This percentage has increased substantially over the decade.

Participation

■ The likelihood of 9th graders enrolling in college within four years has increased over the past decade; North Carolina has had one of the steepest increases among the states on this measure. Two important factors underlie this increase. A smaller percentage of students are graduating from high school compared with a decade ago. However, more of those who do graduate enroll in college.

Completion

■ Compared with other states, North Carolina has had a consistently very high percentage of freshmen returning for their sophomore year at four-year public institutions.

■ A very large percentage of students earn a bachelor's degree within six years of enrolling in college.

Weaknesses

Preparation

■ North Carolina is one of the lowest performing states in the percentage of young people earning a high school credential.

■ Compared with other states, 8th graders perform poorly on national assessments in science, and low-income 8th graders perform poorly on national assessments in math.



- Small proportions of 11th and 12th graders take and score well on college entrance exams, but these proportions have improved substantially over the decade—more than the nationwide improvement on this measure.

- Black high school students are only two-thirds as likely as whites to enroll in upper-level math and science.

Participation

- About 19% of adults do not have a high school diploma or its equivalent, compared with 14% of adults nationwide, making them ineligible to participate in higher education.

- A smaller proportion of students from low-income families enroll in higher education today than decade ago. Young adults from high-income families are twice as likely as those from low-income families to enroll in higher education.

Affordability

- Net college costs for low- and middle-income students to attend public four-year colleges and universities represent about a third of their annual income. (Net college costs equal tuition, room, and board minus financial aid.)

Benefits

- Compared with other states, a fairly small proportion of North Carolina residents have a bachelor's degree. However, this proportion has increased substantially over the past decade.

Policy Questions

- As the number of high school students increases in North Carolina, can the state increase the number of students who graduate from high school within four years and enroll college thereafter?

- Considering that approximately 19% of adults do not have a high school diploma or its equivalent (compared to a national average of 14%), can the state encourage more residents to get a General Education Development (GED) credential?

- Can North Carolina close the gaps in educational achievement between whites and minority ethnic residents, and between high- and low-income residents?

- Can North Carolina create a low-priced option for higher education?

- Can the state use financial aid programs more effectively to encourage the college enrollment of students from low-income families?

2004
Grade

Improvement
Over Decade

B



Over the past decade, North Carolina has made progress in preparing students to succeed in college. This year North Carolina earns a B in preparation.

Graded Information

■ North Carolina is among the poorest-performing states in the percentage of young adults earning a high school diploma or General Education Development (GED) diploma by age 24.

■ North Carolina is a top performer in the proportion of high school students enrolled in upper-level math (59%). However, a small proportion (26%) are enrolled in upper-level science.

■ Compared with the best-performing states, a very small proportion (19%) of 8th graders take algebra.

■ Eighth graders perform poorly on national assessments in science, but they perform well on national assessments in math and writing.

■ Compared with their peers in other states, low-income 8th graders perform poorly on national assessments in math.

■ Small proportions of 11th and 12th graders score well on college entrance exams, but large proportions do well on Advanced Placement tests.

■ Eighty-one percent of secondary school students are taught by qualified teachers, and North Carolina is a top performer on this measure.

Change in Graded Measures

■ Over the past decade, the proportion of high school students enrolled in upper-level math has increased substantially.

PREPARATION	North Carolina		Top States 2004
	A Decade Ago	2004	
High School Completion (20%)			
18- to 24-year-olds with a high school credential	83%	84%*	94%
K-12 Course Taking (35%)			
9th to 12th graders taking at least one upper-level math course	40%	59%	59%
9th to 12th graders taking at least one upper-level science course	22%	26%	41%
8th grade students taking algebra	18%	19%	35%
12th graders taking at least one upper-level math course	n/a	73%	66%
K-12 Student Achievement (35%)			
8th graders scoring at or above "proficient" on the national assessment exam:			
in math	12%	32%	36%
in reading	31%	29%	39%
in science	24%	27%	42%
in writing	27%	34%	41%
Low-income 8th graders scoring at or above "proficient" on the national assessment exam in math	6%	14%	23%
Number of scores in the top 20% nationally on SAT/ACT college entrance exam per 1,000 high school graduates	75	143	227
Number of scores that are 3 or higher on an Advanced Placement subject test per 1,000 high school juniors and seniors	68	187	219
Teacher Quality (10%)			
<i>7th to 12th graders taught by teachers with a major in their subject</i>	61%	81%	81%

*Seventy-six percent of 18- to 24-year-olds have a regular high school diploma; 8% have a GED.
Note: Indicators in italics are new for 2004.

■ The percentage of 8th graders performing well on national assessments in math has almost tripled—the sharpest rate of improvement among the states on this measure.

■ Over the past few years, the percentage of 8th graders performing well on national assessments in writing has increased.

■ During the past decade, the percentage of low-income 8th graders performing well on national assessments in math has more than doubled, although North Carolina’s current performance on this measure is poor compared with other states.

■ The proportions of 11th and 12th graders taking and scoring well on college entrance exams have increased substantially over the past decade, although the state’s current performance is poor relative to other states.

■ In the same period, the proportions of 11th and 12th graders taking and scoring well on Advanced Placement exams have nearly tripled.

■ During the past decade, the percentage of secondary school students taught by qualified teachers has increased substantially.

Other Key Facts

■ Blacks in the 9th to 12th grades are about two-thirds as likely as whites to enroll in upper-level math and science.

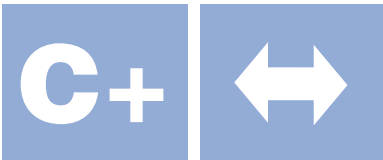
■ Among young adults, 8% receive a GED rather than a high school diploma, one of the highest percentages in the nation.

■ About 17% of children under age 18 live in poverty, which matches the national rate.

The preparation category measures how well a state’s K–12 schools prepare students for education and training beyond high school. The opportunities that residents have to enroll in and benefit from higher education depend heavily on the performance of their state’s K–12 educational system.

2004
Grade

Improvement
Over Decade



North Carolina has made no notable progress in enrolling students in higher education over the past decade. This year North Carolina receives a C+ in participation.

Graded Information

■ Compared with other states, the chance of North Carolina high school students enrolling in college by age 19 is only fair, primarily because the proportion of students who graduate from high school within four years is small. This proportion is among the lowest in the country.

■ A low percentage of working-age adults (ages 25 to 49) are enrolled part-time in college-level education or training.

Change in Graded Measures

■ Over the past decade, the chance of enrolling in college by age 19 has increased by 12%—one of the steepest increases among the states on this measure. Although a smaller percentage of students graduate from high school within four years, more of those who graduate enroll in college.

PARTICIPATION	North Carolina		Top States 2004
	A Decade Ago	2004	
Young Adults (60%)			
Chance for college by age 19	34%	38%	52%
18- to 24-year-olds enrolled in college	31%	26%	40%
Working-Age Adults (40%)			
25- to 49-year-olds enrolled part-time in any type of postsecondary education	3.7%	3.6%	5.4%

Other Key Facts

■ A decade ago, 28 of every 100 young adults (ages 18 to 24) from low-income families were enrolled in college; now only 22 of 100 are. Currently, young adults from high-income families are twice as likely as those from low-income families to attend college.

■ The state's population is projected to grow by 14% from 2000 to 2015, compared with a national rate of 13%. During approximately the same period, the number of high school graduates is projected to increase by 30%.

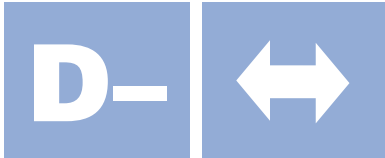
■ About 19% of the adult population has less than a high school diploma or its equivalent, compared with 14% of adults nationwide.

■ In North Carolina, 8,302 more students are entering the state than are leaving to attend college. About 8% of North Carolina high school graduates who go to college attend college out of state.

The participation category addresses the opportunities for state residents to enroll in higher education. A strong grade in participation generally indicates that state residents have high individual expectations for education and that the state provides enough spaces and types of educational programs for its residents.

2004
Grade

Improvement
Over Decade



Like most states, North Carolina has made no notable progress over the past decade in providing affordable higher education opportunities. North Carolina receives a D- in affordability this year.

Graded Information

■ Compared with best-performing states, families in North Carolina devote a fairly large share of family income, even after financial aid, to attend public two- and four-year colleges and universities, which enroll over 80% of college students in the state.

■ The state's investment in need-based financial aid is very low when compared with top-performing states, and North Carolina does not offer low-priced college opportunities.

■ Undergraduate students borrowed on average \$3,458 in 2003.

Change in Graded Measures

■ Over the past decade, the share of income needed to pay for college expenses after financial aid at public four-year institutions has increased from 19% to 25%.

■ In the same period, the state has increased its commitment to financially needy students. Nonetheless, the share of income, including financial aid, needed to pay for college is fairly large compared with other states.

AFFORDABILITY	North Carolina		Top States A Decade Ago
	A Decade Ago	2004	
Family Ability to Pay (50%)			
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:			
at community colleges	18%	21%	15%
at public 4-year colleges/universities	19%	25%	16%
at private 4-year colleges/universities	52%	68%	32%
Strategies for Affordability (40%)			
State investment in need-based financial aid as compared to the federal investment	3%	34%	89%
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition	7%	11%	7%
Reliance on Loans (10%)			
Average loan amount that undergraduate students borrow each year	\$2,851	\$3,458	\$2,619

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."

Other Key Facts

■ In North Carolina, 48% of students are enrolled in community colleges and 36% in public four-year colleges and universities.

The affordability category measures whether students and families can afford to pay for higher education, given income levels, financial aid, and the types of colleges and universities in the state.

A CLOSER LOOK AT FAMILY ABILITY TO PAY	Average family income	Community colleges		Public 4-year colleges/universities		Private 4-year colleges/universities	
		Net college cost*	Percent of income needed to pay net college cost	Net college cost*	Percent of income needed to pay net college cost	Net college cost*	Percent of income needed to pay net college cost
Income groups used to calculate 2004 family ability to pay							
20% of the population with the lowest income	\$10,812	\$5,444	50%	\$6,324	58%	\$18,593	172%
20% of the population with lower-middle income	\$25,110	\$6,033	24%	\$6,957	28%	\$18,713	75%
20% of the population with middle income	\$41,548	\$6,391	15%	\$7,612	18%	\$18,386	44%
20% of the population with upper-middle income	\$63,000	\$6,508	10%	\$7,989	13%	\$18,356	29%
20% of the population with the highest income	\$105,500	\$6,529	6%	\$8,094	8%	\$19,743	19%
40% of the population with the lowest income	\$17,961	\$5,739	32%	\$6,641	37%	\$18,653	104%

*Net college cost equals tuition, room, and board, minus financial aid.

Those who are striving to reach or stay in the middle class—the 40% of the population with the lowest incomes—earn on average \$17,961 each year.

■ If a student from such a family were to attend a community college in the state, their net cost to attend college would represent about 32% of their income annually:

Tuition, room, and board:	\$6,576
Financial aid received:	-\$ 837
Net college cost:	\$5,739
Percent of income:	32%

■ If the same student were to attend a public four-year college in the state, their net cost to attend college would represent about 37% of their income annually:

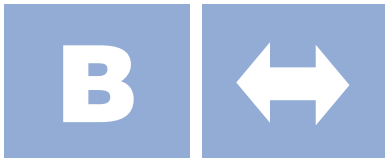
Tuition, room, and board:	\$8,661
Financial aid received:	-\$2,020
Net college cost:	\$6,641
Percent of income:	37%

Note

The numbers shown for tuition, room, and board minus financial aid may not exactly equal net college cost due to rounding.

2004
Grade

Improvement
Over Decade



Over the past decade, North Carolina has shown consistently good performance in the proportion of students earning a certificate or degree in a timely manner. This year North Carolina receives a B in completion.

Graded Information

■ Compared with other states, only an average percentage of first-year students in community colleges return for their second year.

■ However, a very large percentage (80%) of freshmen at four-year colleges and universities return for their sophomore year.

■ A very large percentage of first-time, full-time college students complete a bachelor's degree within six years of enrolling in college.

■ The proportion of students who complete certificates and degrees, relative to the number enrolled, is also large.

Change in Graded Measures

■ Over the past decade, North Carolina consistently has had a very high percentage of freshmen at four-year colleges and universities returning for their sophomore year.

■ The proportion of students completing certificates and degrees relative to the number enrolled has increased by 17% over the past decade, compared with a nationwide increase of 15%.

COMPLETION	North Carolina		Top States 2004
	A Decade Ago	2004	
Persistence (20%)			
1st year community college students returning their second year	49%	48%	63%
Freshmen at 4-year colleges/universities returning their sophomore year	80%	80%	84%
Completion (80%)			
First-time, full-time students completing a bachelor's degree within 6 years of college entrance	57%	57%	64%
Certificates, degrees, and diplomas awarded at all colleges and universities per 100 undergraduate students	15	18	21

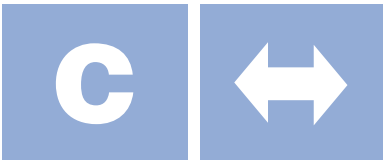
Other Key Facts

■ During the past decade, North Carolina has made progress in narrowing the gap between whites and blacks in the proportion of students completing certificates and degrees relative to the number enrolled. The number of black students receiving certificates and degrees has increased from 12 to 15 per 100 enrolled.

The completion category addresses whether students continue through their educational programs and earn certificates or degrees in a timely manner. Certificates and degrees from one- and two-year programs as well as the bachelor's degree are included.

2004
Grade

Improvement
Over Decade



Over the past decade, there has been no notable progress in the benefits North Carolina realizes from having a more highly educated population. North Carolina receives a C in benefits this year.

Graded Information

■ Compared with other states, a fairly small proportion of residents have a bachelor's degree, and this weakens the state economy.

■ However, residents contribute substantially to the civic good, as measured by charitable giving.

Change in Graded Measures

■ The percentage of residents who have a bachelor's degree has increased substantially over the past decade.

■ Over about the same period, the percentage of residents voting has dropped substantially.

Other Key Facts

■ If all ethnic groups had the same educational attainment and earnings as whites, total personal income in the state would be about \$6.5 billion higher, and the state would realize an estimated \$2.3 billion in additional tax revenues.

■ In 2002, North Carolina scored 58 on the New Economy Index, compared to a nationwide score of 60. The New Economy Index, developed by the Progressive Policy Institute, measures the extent to which states are participating in knowledge-based industries.

BENEFITS	North Carolina		Top States 2004
	A Decade Ago	2004	
Educational Achievement (37.5%)			
Population aged 25 to 65 with a bachelor's degree or higher	21%	25%	36%
Economic Benefits (31.25%)			
Increase in total personal income as a result of the percentage of the population holding a bachelor's degree	8%	8%	12%
Increase in total personal income as a result of the percentage of the population with some college (including an associate's degree), but not a bachelor's degree	3%	2%	3%
Civic Benefits (31.25%)			
Residents voting in national elections	55%	46%	60%
Of those who itemize on federal income taxes, the percentage declaring charitable gifts	89%	88%	92%
<i>Increase in volunteering rate as a result of college education</i>	n/a	17%	22%
Adult Skill Levels (0%)*			
Adults demonstrating high-level literacy skills:			
quantitative	18%	22%	33%
prose	16%	20%	33%
document	14%	18%	28%

*Adult Skill Levels for 2004 are estimated and are not used to calculate grades.

Note: Indicators in italics are new for 2004.

■ Policymakers and state residents do not have access to important information about high-level literacy skills because the state has declined to participate in the national literacy survey.

The benefits category measures the economic and societal benefits that the state receives as the result of having well educated residents.

2004
Grade



Like most states, North Carolina received an Incomplete in learning because there are no comparable data that would allow for meaningful state-by-state comparisons in learning. The Incomplete in this category highlights a gap in our ability to measure each state's educational capital—the reservoir of high-level knowledge and skills that benefit each state.

Measuring Up 2004 gives a “Plus” in learning to five states (Illinois, Kentucky, Nevada, Oklahoma, and South Carolina) that have developed learning measures through their participation in a national demonstration project conducted by the National Forum on College-Level Learning and funded by The Pew Charitable Trusts.*

Based on the results of the project, the learning category is being constructed like the other performance categories in *Measuring Up*, with indicators that are grouped in several themes, each of which is weighted (see parentheses) and reflects a particular dimension of state performance:

1. Abilities of the College-Educated Population (25%). This cluster of indicators examines the proportion of college-educated residents who achieve high levels of literacy. For the 2004 demonstration, the data used are the same as those included in the benefits category and are based on the 1992 National Adult Literacy Survey (NALS) for citizens aged 25 to 64, updated through the 2000 census. The NALS assessment poses real-world tasks or problems that require respondents to read and interpret texts (prose), to obtain or act on information contained in tabular or graphic displays (document), and to understand numbers or graphs and perform calculations (quantitative).

2. Institutional Contributions to Educational Capital (25%). The indicators in this area reflect the contributions to a state's stock of “educational capital” by examining the proportion of the state's college graduates (from two- and four-

Learning	North Carolina
Literacy Levels of the State's Residents (25%)	
Prose	?
Document	?
Quantitative	?
Graduates Ready for Advanced Practice (25%)	
Licensures	?
Competitive admissions	?
Teacher preparation	?
Performance of College Graduates (50%)	
<i>From four-year institutions</i>	
Problem-solving	?
Writing	?
<i>From two-year colleges</i>	
Reading	?
Quantitative skills	?
Locating information	?
Writing	?

Note: Measures included under the first two clusters are available nationally and can be calculated for all 50 states. Measures included in the third will require special data-collection efforts similar to those undertaken by the five demonstration project states in 2004.

year institutions) ready for advanced practice. For the 2004 demonstration, the measures are based on available records for college graduates within each state who have demonstrated their readiness for advanced practice by (a) passing a national examination required to enter a licensed profession such as nursing or physical therapy, (b) earning a competitive score on a nationally recognized graduate admissions examination such as the Graduate Record Examination (GRE) or the Medical College Admissions Test (MCAT), or (c) passing a teacher licensure examination in the state in which they graduated. These measures are presented as a proportion of total bachelor's and associate's degrees granted in the state during the time period.

1. What are the abilities of the college-educated population?

2. To what extent do colleges and universities educate students to be capable of contributing to the workforce?

3. How well can graduates of two- and four-year colleges and universities perform complex problem-solving tasks?

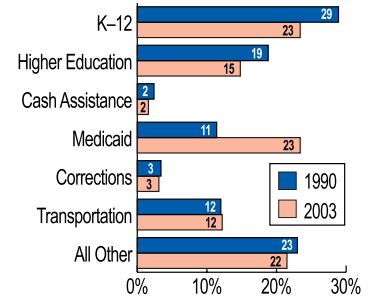
3. Performance of College Graduates (50%). These indicators examine how well the graduates of the state's two- and four-year colleges and universities can perform complex tasks related to academic and real-world problem-solving situations. For the 2004 demonstration, the measures consist of two sets of assessments, the Collegiate Learning Assessment (CLA) for four-year students and the ACT Work Keys assessment for two-year students. The CLA is an innovative examination that poses real-world tasks that a student is asked to understand and solve. For example, students could be asked to draw scientific conclusions, examine historical evidence, or develop a persuasive essay. The ACT Work Keys examines what students can do with what they know. Students might be asked to extract information from documents and instructions, or use mathematical concepts such as probability or estimation in real-world settings. The Work Keys writing assessment requires students to prepare an extended essay.

* A report on the results and lessons of the five-state demonstration project will be released in November.

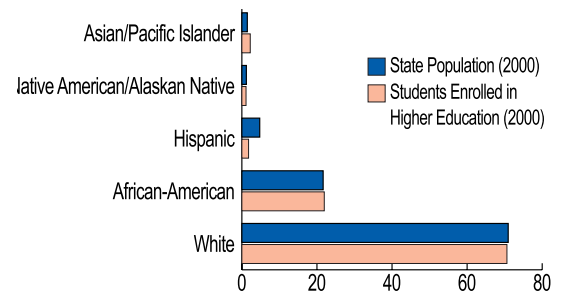
State Context	North Carolina	State Rank
Population (2003)	8,407,248	11
Gross state product (2001, millions)	\$275,615	12
Leading Indicators	North Carolina	U.S.
Projected % change in population, 2000-2015	13.7%	12.9%
Projected % change in number of all high school graduates, 2002-2017	30.3%	8.0%
Projected budget surplus/shortfall by 2010	-5.6%	-3.4%
Average income of poorest 20% of population (2002)	\$10,812	\$12,072
Children in poverty (2001)	17.0%	16.0%
Percent of adult population with less than a high school diploma or equivalent (2003)	18.6%	14.0%
New economy index (2002)*	57.5	60.3
Facts and Figures	North Carolina	
	Number/Amount	Percent
Institutions of Postsecondary Education (2002-03)		
Public 4-year	16	
Public 2-year	59	
Private 4-year	44	
Private 2-year	7	
Students Enrolled by Institution Type (2001)		
Public 4-year	135,567	36%
Public 2-year	180,892	48%
Private 4-year	61,181	16%
Private 2-year	1,693	0%
Students Enrolled by Level (2001)		
Undergraduate	379,333	89%
Graduate	40,360	9%
Professional	8,091	2%
Enrollment Status of Students (2001)		
Full-time	270,187	63%
Part-time	157,597	37%
Net Migration of Students (2000)		
Positive numbers for net migration mean that more students are entering than leaving the state to attend college. Negative numbers reveal the reverse.	8,302	
Average Tuition (2002-03)		
Public 4-year institutions	\$3,251	
Public 2-year institutions	\$1,166	
Private 4-year institutions	\$16,939	
State and Local Appropriations for Higher Education		
Per \$1,000 of personal income, FY 2004	\$10	
Per capita, FY 2004	\$291	
% change, FY 1994-2004		50%

* This index, created by the Progressive Policy Institute, measures the extent to which a state is participating in knowledge-based industries. A higher score means increased participation.
 Note: Percentages might not add to 100 due to rounding.

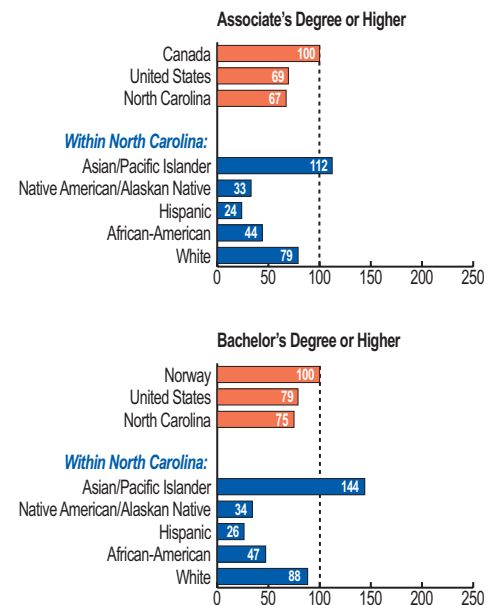
Share of State Appropriations



Ethnic Distribution (%)



Attainment of College Degrees in United States and Top Country, 25- to 34-year-olds (2000)



Note: These two charts compare performance in the U.S. to the performance of the top country, which receives a score of 100.

QUESTIONS & ANSWERS

Q: Who is being graded in this report card, and why?

A: *Measuring Up 2004* grades states, not individual colleges or universities, on their performance in higher education. The states are responsible for preparing students for higher education through sound K–12 systems, and they provide most of the public financial support—\$69 billion currently—for colleges and universities. Through their oversight of public colleges and universities, state leaders affect the kind and number of programs available in the state. They determine the limits of financial support and often influence tuition and fees for public colleges and universities. They determine how much state-based financial aid to make available to students and their families, which affects students attending private as well as public colleges and universities.

Q: How are states graded?

A: The report card grades states in six performance categories: academic preparation, participation, affordability, completion, benefits, and learning. Each category is made up of several indicators, or quantitative measures—a total of 35 in the first five categories. Grades are calculated based on each state's performance on these indicators, relative to other states. *Measuring Up 2004* draws its data from the most recent public information available. Most of the data in *Measuring Up 2004* is from 2002 and 2003.

In the affordability category, *Measuring Up 2004* reflects the major changes in tuition and financial aid that occurred in 2003. In addition, each state's performance is now calculated in relation to the performance of top states a decade ago—rather than in relation to top states' current performance, as is the case with other graded categories. This change creates

a more stable basis for states to assess their performance in affordability, which is the most volatile of the graded categories.

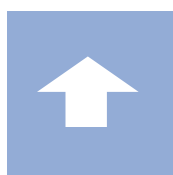
In the learning category, *Measuring Up 2004* reports information about five states (Illinois, Kentucky, Nevada, Oklahoma, and South Carolina) that participated in a pilot project on measuring learning. This report card gives these states a “Plus” for their efforts in assessing and measuring learning; however, all other states continue to receive an “Incomplete” in this category, as there is no information available to make state-by-state comparisons.

All data used to grade states in *Measuring Up 2004* were collected from national, reliable sources, including the U.S. Census and the U.S. Department of Education. All data are the most current available for state-by-state comparisons, are in the public domain, and were collected in ways that allow for effective comparisons among the states. The *Technical Guide* (available at www.highereducation.org) has information about sources used in *Measuring Up 2004*.

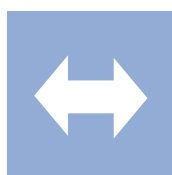
Q: What information is provided but not graded?

A: The state report cards highlight important gaps in college opportunities for various income and ethnic groups, and they identify improvements and setbacks in each state's performance over the past decade. In addition, the series of indicators measuring adult literacy skills (in the benefits category) is not being used to calculate grades in *Measuring Up 2004* because the data have not been updated in 12 years. As a temporary placeholder for these indicators, the National Center commissioned a study to estimate adult skill levels based on the 2000 Census. These estimates are provided in the charts found in the state report cards, but they are not used to calculate any grades.

What do the arrows mean?



The state has improved on more than half of the indicators in the category.



The state has improved on some, but no more than half, of the indicators in the category.



The state has declined on every indicator in the category.

STATE GRADES

	Preparation	Participation	Affordability	Completion	Benefits
Alabama	D-	C	F	B-	C+
Alaska	B-	C	F	F	B
Arizona	D	B+	F	C+	B
Arkansas	C	C-	F	C	D+
California	C	A	B	C	A
Colorado	A-	B	D-	B-	A
Connecticut	A	A	F	B	A
Delaware	C+	C+	F	A-	A-
Florida	C	C	F	A-	B-
Georgia	C	D	F	B	B
Hawaii	C	B-	D	C	B
Idaho	C	C-	D-	C+	C
Illinois	B+	A	D	B	B-
Indiana	C	C+	D	B	C
Iowa	B+	B+	F	A	C
Kansas	B	A	F	B	B+
Kentucky	C-	B-	D-	C	B
Louisiana	F	D+	F	C	C
Maine	B	B-	F	B	B
Maryland	A-	A	F	B-	A
Massachusetts	A	A	F	A	A
Michigan	C	B+	F	C+	A-
Minnesota	B+	A	C-	B+	A
Mississippi	D+	D	F	B-	C
Missouri	B-	B	F	B	B
Montana	B+	C	F	C	C
Nebraska	B+	A	F	B	B
Nevada	D	C	F	F	C-
New Hampshire	B+	C+	F	A	A-
New Jersey	A	A-	D	B	A
New Mexico	F	A-	F	D	C+
New York	A	C+	F	B+	B
North Carolina	B	C+	D-	B	C
North Dakota	B	A-	F	B	C
Ohio	C+	C+	F	B	B-
Oklahoma	C-	C	F	C-	C+
Oregon	C	B-	F	C	B
Pennsylvania	B-	B	F	A	B
Rhode Island	C+	A	F	A	B+
South Carolina	C	C-	F	B	C
South Dakota	B	B+	F	B	C-
Tennessee	C-	C-	F	C+	C
Texas	C+	C	D	C	B-
Utah	A	C+	C	B	B
Vermont	C+	C	F	A	B-
Virginia	B+	B-	D-	B	A-
Washington	B-	C	F	A-	A-
West Virginia	C+	C-	F	C	D
Wisconsin	B+	B	D	A-	C+
Wyoming	C+	B	F	B+	D

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Commentary

- **Foreword,** by James B. Hunt Jr., Chairman, and Garrey Carruthers, Vice Chairman of the National Center's Board of Directors
- **A Message** from Governor Mark R. Warner, Governor of Virginia and Chairman of the National Governors Association

- **A Ten-Year Perspective: Higher Education Stalled Despite High School Improvement,** by Patrick M. Callan, President of the National Center

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- Questions and Answers about *Measuring Up 2004*
- What is *Measuring Up*?
- How We Grade States
- How We Measure Improvement
- *Measuring Up 2004* Database
- *Technical Guide*
- "Measuring Up 2004 and Beyond" Working Group
- Acknowledgements
- About the National Center
- Site Map

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