Texas Regional Action Plan for Postsecondary Completion

Prepared for:

February 2011
Executive Summary

• In order to ensure economic competitiveness and individual opportunity the United States - and Texas in particular - needs to dramatically increase the number of students who graduate with a postsecondary degree or credential

• Texas can play a pivotal role in addressing this challenge and leading the nation because of its powerful economy, its large population, and its fast-growing Hispanic population which reflects the broader national trend. However, Texas’s postsecondary completion rate has dropped below the national average (ranking it 32 out of 50) and the state faces numerous challenges to improving student success

• The urgency of the challenge has driven several stakeholders to take action – policymakers are debating ambitious reforms, both local and national funders are investing more philanthropic dollars, and institutions are shifting their focus from enrollment to success

• The complexity and magnitude of the problem however requires additional efforts, collaboration, and resources. A core group of funders has come together to explore opportunities for a public-private partnership to build on existing efforts and bring greater coordination to increase graduation rates at Texas postsecondary institutions. The partnership will include multiple stakeholders working towards a same goal and pursuing aligned but differentiated strategies.

• The local and decentralized nature of higher education requires taking both a statewide and a regional lens to understand challenges and opportunities to student success. Five regions have been identified as critical for improving completion rates: Metroplex, Gulf Coast, Central Texas, South Texas, and Upper Rio Grande because of their large and growing at-risk population, their relatively low educational attainment and emerging favorable conditions for reform in higher education
Agenda

• Texas Higher Education Landscape and Opportunities

• Improving Postsecondary Outcomes through Concerted Action

• The Need for a Statewide and Regional Approach
Postsecondary Success Is Critical to Economic Competitiveness and Individual Opportunity

"Economists have long recognized that the skills of the workforce are an important source of economic growth. Moreover, as the increase over time in the returns to education and skill is likely the single greatest cause of the long-term rise in economic inequality, policies that lead to broad investments in education and training can help reduce inequality while expanding economic opportunity" ¹

Among OECD countries, US ranks 11th in percent of college graduates age 25-34 (4th overall)

National and State Policy Are Increasingly Focused on Access AND Postsecondary Success

**National and State Initiatives to Increase Completion**

**Federal Policy**
- **First-ever White House Summit on Community Colleges**, focused on completion of minority students
- President Obama announces goal of adding an **additional 5 million community college degrees by 2020**

**Philanthropic Initiatives**
- **Achieving the Dream**: Lumina Foundation initiative dedicated to making student success agenda priority at community colleges across 16 states, including Texas
- **Completion by Design**: Gates Foundation is awarding **$35M over 5 years**, focusing on community college reform efforts
- **Complete College America**: Gates, Lumina, Carnegie, Ford and Kellogg Foundations supporting college completion agenda in 23 states, including Texas

**State Policy**
- Five states (IN, OH, OK, TN, and WA) have implemented completion or **momentum funding reforms** to higher education funding formulas
- Council of Chief State School Officers (CCSSO) and the State Higher Education Executive Officers (SHEEO) working to align **common core standards with admissions and placement requirements**
Texas Is a Bellwether State Because of Its Large Student Population, Economy, and Demographics

- Texas enrolls 1 of 14 first-time undergraduates in the U.S.\(^1,2\)
- In 2008, Texas's economy contributed 9% of the total national GDP\(^3\)
- Texas in 2000 looked like what the U.S. will look like in 2050

Total Population by Ethnicity

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Texas 2000(^4)</th>
<th>U.S. 2050(^4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>21 M 32%</td>
<td>439 M 30%</td>
</tr>
<tr>
<td>Other</td>
<td>439 M 68%</td>
<td>439 M 70%</td>
</tr>
</tbody>
</table>

Notes: (1) Total enrollment for first-time degree/certificate-seeking undergraduate students enrolled at Title IV institutions, fall 2008
Source: (2) IPEDS, Spring 2009, enrollment component, (3) Bureau of Economic Analysis, (4) U.S. Census Bureau, Projections of the Population by Sex, Race, and Hispanic Origin for the United States: 2010 to 2050 (based on Census 2000)

Texas can be a testing-ground for solutions to challenges that other states will likely be facing soon
However, Texas's Attainment in Postsecondary Education Has Dropped below the National Average

Population with Bachelors Degree or Higher (25 to 64)

Texas ranks 43 of 50 states in postsecondary participation and 32 of 50 states in postsecondary completion

Note: Massachusetts is highlighted for being the top performer state and California for being a large state with a similar population demographics as Texas
Source: The Texas Higher Education Plan; Report from the Select Commission on Higher Education and Global Competitiveness
The Pervasive Leakage in Texas's Higher Education Pipeline Will Have Stark Implications for Texas's Prosperity

Effects on Texas Economy by 2040, if current trends continue:*  
- 12% decline in average household income  
- 15% increase in number of households living in poverty  
- $15B per year less in state tax revenue  
- An increase of 100,000 in the prison population and an additional $1.5B per year in incarceration costs

The gap between Texas and US average will widen unless Texas's performance across the higher education pipeline improves

Source: College Access / Completion Pipeline Chart from NCES and THECB data in the State of Texas’s Report of the Select Commission on Higher Education and Global Competitiveness, January 2009; Steve Murdock, Institute for Demographic and Socioeconomic Research, UT San Antonio; projections based on 1.0 population growth scenario.
One Cause of the Leaky Pipeline Is the High Percentage of Texas Students from Underserved Populations With Lower Achievement Rates

Hispanics Are Texas's Largest Ethnic Group Under Age 26

<table>
<thead>
<tr>
<th></th>
<th>Texas</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Age 0 to 26 by Ethnicity, 2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10M</td>
<td>109M</td>
<td></td>
</tr>
<tr>
<td>46%</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>12%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>4%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>8%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

Only 10% of 7th grade Hispanic and African-American Students Complete a Degree

Of 100 7th graders, how many …

Texas College Pipeline By Ethnicity, 1998 7th grade cohort

<table>
<thead>
<tr>
<th>Graduate High School</th>
<th>Enroll in College</th>
<th>Complete Degree (150% Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>Hispanic</td>
<td>African-American</td>
</tr>
<tr>
<td>73</td>
<td>62</td>
<td>25</td>
</tr>
<tr>
<td>64</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>46</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Left chart, Texas data from Texas State Data Center and Office of the State Demographer, US data from U.S. Census Bureau 2009 Population Project Net Migration Series; Right chart, THECB 1998 7th grade cohort data
Demographic Trends Will Exacerbate Low Attainment Rates Unless Barriers to Postsecondary Success Are Addressed

Hispanics Will Make Up Half the Texas Population in 2030

<table>
<thead>
<tr>
<th></th>
<th>TX 2010</th>
<th>TX 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>24 M</td>
<td>32 M</td>
</tr>
<tr>
<td>Hispanic</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>African-American</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Hispanic Population is Fastest Growing in the U.S.

<table>
<thead>
<tr>
<th></th>
<th>US 2010</th>
<th>US 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>308 M</td>
<td>358 M</td>
</tr>
<tr>
<td>Hispanic</td>
<td>65%</td>
<td>57%</td>
</tr>
<tr>
<td>African-American</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Left chart, Texas data from Texas State Data Center and Office of the State Demographer; Right chart, US data from U.S. Census Bureau 2009 Population Project Net Migration Series
Students Face Personal Challenges and Systemic Barriers on The Road Towards Postsecondary Completion

- **Challenges Faced by Students**
  - Academic
  - Financial
  - Know-How
  - Cultural

- **Systemic Barriers**
  - Alignment
  - Incentives
  - Approaches
  - Institutional Dynamics

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Students Face Academic, Financial, College Knowledge Gaps and Cultural Challenges to Postsecondary Completion

**Challenges Faced by Students**

**Academic**
- Lack of a solid academic base to take on college-level work
- Lack of study skills for college-level work
- Developmental education fails to remediate students’ academic needs

**Financial**
- Costs of PSE are rising
- Available grant aid is shrinking
- Struggle to balance work and studies

**Know-How**
- Limited knowledge about how and where to apply
- Students lack social-emotional readiness
- Lack of college knowledge and limited access to advice and mentoring

**Cultural**
- Low expectations
- Pressure to be a “breadwinner” (affects primarily males)
- Preference for living at home while in PSE leads to “undermatching” and less engagement in campus life
Hispanic Students Face Additional Cultural Challenges to Attaining a Postsecondary Degree

**Key Statistics and Implications**

- **Lack of English Language Skills**
  - 49% of Hispanic youth cite limited English skills as reason for not continuing their education\(^1,2\)
    - Implications: Drop out, don’t enroll, place in developmental education

- **Lack of College Knowledge**
  - Ratio of students-to-counselors is 437 to one\(^3\) and is worse for largely Hispanic schools
    - Implications: Don’t get financial aid, don’t enroll, don’t go to highest quality school

- **Cultural Pressure to Work and Support the Family**
  - 3 out of 4 Hispanic youth decide not to enroll in or continue PSE so that they can support their family\(^1\) – this affects men more
    - Implications: Don’t enroll, pressure to work rather than study, gender gap in achievement

- **Strong Cultural Preference for Staying Close to Home for College**
  - 74% of Hispanic seniors believe living at home during college is important\(^2\); 80% of Hispanic seniors who enter college remain in their home region\(^3\)
    - Implications: Increased likelihood of “under-matching”, less campus engagement, greater likelihood of dropping out\(^4\)

Hispanic Students Cite Affordability as a Major Reason for Not Enrolling In or Dropping Out of College

Percentage of Latino college students who say that each of the following is a reason why people do not go to or fail to finish college

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition cost</td>
<td>77%</td>
</tr>
<tr>
<td>Need to work and earn money</td>
<td>77%</td>
</tr>
<tr>
<td>Poor high school education</td>
<td>58%</td>
</tr>
<tr>
<td>Do not need degree to be successful</td>
<td>48%</td>
</tr>
<tr>
<td>Discrimination</td>
<td>40%</td>
</tr>
<tr>
<td>Want to be near family</td>
<td>33%</td>
</tr>
</tbody>
</table>

College affordability is particularly impactful on Latino student outcomes because of cultural financial preferences to avoid debt and keep financial information private:

- Hispanic students are less willing to fill out FAFSA/share financial information
- One-third of Hispanic students with unmet financial need do not borrow

### Lack of Alignment in the Education System Also Impedes Student Postsecondary Completion

<table>
<thead>
<tr>
<th><strong>Alignment</strong></th>
<th><strong>Incentives</strong></th>
<th><strong>Approaches</strong></th>
<th><strong>Institutional Dynamics</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of alignment in curriculum and expectations between K12 and PSE</td>
<td>Limited incentives to take on responsibility for lack of student academic readiness for PSE</td>
<td>K12: Students are in a structured environment, given limited autonomy, and, for the most part have their academic path laid out for them by others</td>
<td>Lack of adequate data systems and/or knowledge of how to use data for decision making</td>
</tr>
<tr>
<td>Limited alignment and articulation between 2 and 4-year institutions</td>
<td>Limited incentives to transform developmental education</td>
<td>PSE: Students are expected to have the personal maturity to take on responsibility for choosing courses, navigating the college system and defining their own career path</td>
<td>Lack of a widespread commitment to student success among IHEs leadership, particularly in 4-year institutions</td>
</tr>
<tr>
<td></td>
<td>Revenue streams primarily tied to attendance; limited, but growing, incentives to focus on student success</td>
<td></td>
<td>Lack of a culture and structure that assigns responsibility for student success throughout the organization</td>
</tr>
</tbody>
</table>
Currently Several Major Initiatives Exist Aimed at Improving Access and Degree Completion at a Statewide Level

THECB Priorities:
• Participation and success of minority students
• Recognition of the critical role of community colleges
• Developmental education
• K12/PSE alignment
• Using data to drive change

Philanthropic Investment:
• College Readiness: THSP; ECHS; Dual Credit
• Community Colleges: Achieving the Dream; CCSSE
• Transition to Workforce: JFF
• Data Infrastructure

Texas Legislative Priorities:
• Improvement of community college and four-year performance
• Completion/momentum-based funding for IHEs

K-12 and PSE Initiatives:
• Early assessment of college readiness
• Curricular alignment
• Developmental education pilots
• Student support programs

But the urgency and complexity of the challenges ahead require increasing coordination and focus
THECB’s *Closing the Gaps* Strategy Provides a Statewide Vision to Set and Reach Postsecondary Enrollment and Completion Goals

- In 2000 the THECB launched *Closing the Gaps by 2015* to create a statewide vision for closing the higher education gaps within Texas and between Texas and other leading states.
- The plan focuses on bringing Texas to national parity in higher education participation, success, excellence, and research.
- In 2010 the THECB developed an *Accelerated Plan for Closing the Gaps* to reinforce the statewide vision and speed progress on critical goals.

### Prioritized Goals
- Participation of Hispanic and African American male students
- Success of Hispanic and African American students
- STEM awards
- Teacher preparation

### Areas of Emphasis
- Community colleges
- Developmental education
- Transfer agreements
- Learning outcomes
- Student support services
- Alignment with K12 and workforce

### Prioritized Approaches
- Provide legislative recommendations
- Strengthen partnerships with institutions of higher education, K12 and workforce
- Use data strategically to inform change

*Achieving Closing the Gaps goals will require a particular focus on underserved student populations*
Higher Education Priorities at the Texas Legislature Have Evolved to Focus Specifically on Key Areas of Closing the Gaps

Past Priorities

80th Legislative Session, 2008-09

Community Colleges
- Allowing certain junior colleges to offer baccalaureate degrees

Access
- Provide funding for development of teacher workforce

Success
- Study higher education issues in order to Close the Gaps in Texas and raise the state’s ranking to the level of best performing states

81st Legislative Session, 2009-10

Community Colleges
- Study success and potential expansion of 2-year baccalaureate programs
- Fund 2-year education and workforce development in high-demand occupations

Dual Credit
- Expand the dual credit program between junior college and public school districts

Success
- Commission TEA and THECB to create College and Career Readiness Standards
- Consider completion-based funding in formula funding allocations (THECB recommendation to do so did not pass)

Future Priorities

82nd Legislative Session, 2011-12

Financial Aid
- Consider restructuring financial aid programs to promote success

Community College
- Analyze 2-year and 4-year success rates and transfer challenges

Developmental Education
- Evaluate developmental education success vs. its $100 million cost

Accountability
- Improve timeliness of accountability data

Dual Credit
- Review cost of delivery, funding, consistency of quality, and possibility of statewide dual credit system

Success
- Review formula funding to potentially include completion-based and momentum-based funding

Emphasis on community colleges, success and accountability has increased over time

Improving Education in Texas Is a Priority for A Large Number of Philanthropic Funders

Active Foundations

- Communities Foundation of Texas
- Michael & Susan Dell Foundation
- KDK Harman Foundation
- Bill & Melinda Gates Foundation
- The Carnegie Foundation for the Advancement of Teaching
- Greater Texas Foundation
- Houston Endowment Inc.
- A Philanthropy Endowed by Mr. and Mrs. Jesse H. Jones
- LuminA
- The Meadows Foundation

Funded Initiatives

- Achieving the Dream
- Texas Student Data System
- Jobs For The Future
- CCSSE Community College Survey of Student Engagement
- Texas High School Project
- KnowHow2GO
- Pathways Project
- Early College High Schools
- UTeach
- Developmental Education Initiative
- Status Quo
Agenda

Texas Higher Education Landscape and Opportunities

Improving Postsecondary Outcomes through Collective Impact

The Need for a Statewide and Regional Approach
The Urgency of the Challenges and the Need to Better Align and Scale Existing Initiatives Underscores the Opportunity for a Public-Private Partnership to Improve Postsecondary Success in Texas

**Goal**
- Focus and align public and private resources around a set of **unique opportunities to increase success in postsecondary education**

**Plan**
- Develop a common statewide policy agenda and approach to coordinating investments in developmental education
- Identify gaps and leverage points to improve postsecondary success in critical **regions across the state**

**Partners**
- Early contributors include: Greater Texas Foundation, Houston Endowment, Meadows Foundation, Texas High School Project/Communities Foundation of Texas
- The partnership will include a broad set of additional stakeholders (e.g., national funders, legislators and public agencies, **other state funders**)

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The Partnership Could Take A Number of Different Shapes, Ranging From Opportunistic Funding to an Integrated Strategy

Option A

**Matching Grant Fund**

Public fund that could be accessed by higher education institutions upon receiving matching funds from private funders

Eligible gifts are those aimed at increasing funding efforts to increase graduation rates, particularly of underserved students

No need for an intermediary

Option B

**Collective Impact Effort**

- Participants have a shared vision of the problem to be solved and the approach to solving it
- There is set of measurable goals and shared metrics the members of the partnership work towards through aligned strategies and differentiated activities
- Requires an intermediary that can play several roles: at a minimum, convening members and facilitating shared measurement and learning

Option C

**Integrated Strategy**

- Members of the partnership would outsource the implementation and re-granting of large parts of their postsecondary success strategies to an intermediary that would implement a unified strategy
- This intermediary would have several responsibilities (e.g., setting strategy, managing funds, making grants, managing partnership, developing accountability systems, convening, tracking progress and sharing learnings)

Successful examples of Options A (Texas Research Incentive Program) and B (Texas High School Project) can be found in Texas

Note: * Additional requirements regarding eligible gifts would apply
Selecting the Right Partnership Model Requires Weighing the Advantages and Disadvantages of Each Option

Option A: Matching Grant Fund
- Channels additional public and private funds in a tight public budget environment
- Requires low coordination cost and overhead
- Presents limited governance issues

Option B: Collective Impact Effort
- Allows funding partners to understand the landscape of efforts and identify gaps and coordinate efforts
- Facilitates a dialogue with a broad set of stakeholders and creates a common vision
- Provides access to shared learnings and best practices
- Has the ability to build long-term relationships that allow for innovation and persist to scale up interventions that work
- Design allows multiple levels of participation to accommodate different appetites for collaboration (e.g., shared learnings vs. pooled funding)

Option C: Integrated Strategy
- Creates a unified voice that lends a high level of influence to the intermediary
- Has ability to build long-term relationships that allow for innovation and persist to scale up interventions that work

Key Challenges:
- Low to medium coordination cost
- High infrastructure costs
- Loss of autonomy by participating funders
- Potential governance and fiduciary responsibility challenges

Additional Challenges:
- One-time funding
- Lack of a long-term strategy that incents IHEs to make complex changes that lead to significant shifts in graduation rates
- Limited oversight and accountability

Note: * Additional requirements regarding eligible gifts would apply
Within A Collective Impact Effort Members May Choose to Fund Any or All of the Activities Performed by the Intermediary

- Convenes partners and key stakeholders
- Shares landscape of ongoing efforts with partners and identifies gaps

Programmatic Work

- Identifies opportunities to co-fund projects
- Identifies opportunities for aligned investments

Regrantor and Fiscal Sponsor

- Acts as a fiscal sponsor and assumes fiduciary responsibility for specific grants at the request of funders

Statewide Policy and Advocacy

- Develops a statewide policy agenda focused on student success

Convening and Knowledge Sharing
Agenda

Texas Higher Education Landscape and Opportunities

Improving Postsecondary Outcomes through Concerted Action

The Need for a Statewide and Regional Approach
A Statewide Approach Is Needed to Address Systemic Barriers and to Support Change at a Regional and Institutional Level

Potential Areas of Focus for a Public-Private Partnership at the State Level

• Developing and championing a student success policy agenda that includes:
  – Expanding access to and ensuring quality of early college high schools and dual credit models
  – Improving developmental education
  – Ensuring adequate funding community colleges
  – Incentivizing practices that improve efficiency of degree attainment for students
• Bringing alignment and coordination to existing efforts
• Attracting national funding to participate in statewide efforts
• Identifying policy barriers to innovation in institutional practice
Additionally, Addressing Postsecondary Education at a Regional Level Makes Sense for Several Reasons

 Drivers for a Regional Approach

- **Target Student Population is Concentrated and Not Highly Mobile**
  - 76% of students who have never completed a PSE degree or certificate come from four regions: South, Metroplex, Gulfcoast, and Central Texas
  - 64% of students who attend IHEs in these regions stay within their home region when they enroll in postsecondary education

- **Level of Institutional Autonomy**
  - Postsecondary institutions are fairly autonomous, governance is decentralized, and it can be difficult to achieve institutional buy-in on broadly scoped initiatives

- **Influence of Local Funding**
  - State spending per student in 4-year institutions increased 9%, while spending per student in 2-year institutions decreased 4% from 2000 to 2008
  - As a result, the largest funding source for community colleges has shifted from state (26%) funding to local taxes (29%)

 Implications

- Improving student educational outcomes requires an understanding of factors affecting students within each region

- A regional focus allows specific initiatives to be developed in partnership with local institutions

- There is a greater chance that community colleges will respond to a local approach involving key leaders and stakeholders

Source: THECB Regional Data, Legislative Appropriations: All Funds Agencies of Higher Education, THECB
If Texas Is to Reverse Current Education Attainment Trends It Will Need to Focus on Regions with Most Pressing Challenges and Favorable Conditions for Reform

Three criteria guided the selection of critical regions

1. Large Underserved Population
   - Demographics of regions, particularly size of college-age population and of segments at greater risk of not finishing PSE
   - Projected growth of key population segments

2. Low Performance
   - Large number of students who do not enroll or complete postsecondary education
   - Concentration of 2- and 4-year institutions with lower performance and high percent of students attending those institutions

3. Conducive Conditions for Reform
   - Ongoing regional PSE innovation and reform efforts
   - Engaged leadership
   - Interest/ presence of philanthropic funders/programs
   - State investment in and support of regional PSE infrastructure

Texas Higher Education Regions (THECB)
81% of the Texas Population Is Concentrated in Four Regions, All of Which Will Have High Growth in Their Student Populations

The Four Highlighted Regions Concentrate 81% of Total Population and 83% of Hispanics

2010 Population by Ethnicity and Region (in thousands)

- Metroplex
- Gulfcoast
- South
- Central
- Upper East
- High Plains
- Rio Grande
- Southeast
- Northwest
- West

The Same Four Regions Will Contribute 95% of Growth in Student Population

Growth in Student Population (18-24 year olds) 2010-20 by Ethnicity and Region (in thousands)

- Metroplex
- South
- Gulfcoast
- Central
- Upper East
- High Plains
- Northwest
- Southeast
- Upper East
- West

South, Metroplex, Gulf Coast, and Central Regions Have Large Numbers of Students Who Never Enroll in or Attain a Postsecondary Degree

Regional Approach

South, Metroplex, Gulf Coast, and Central Regions Have Large Numbers of Students Who Never Enroll in or Attain a Postsecondary Degree

Absolute Numbers Are Revealing For Pinpointing the Regions with the Largest Challenges to Degree Attainment

Concentration of Low-Performing Institutions Serving Large Numbers of Students Characterizes Regions with Urgent Need for Improvement

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Institutions</th>
<th>Percent of Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Rio Grande</td>
<td>100% (3)</td>
<td></td>
</tr>
<tr>
<td>Metroplex</td>
<td>64% (9)</td>
<td></td>
</tr>
<tr>
<td>South</td>
<td>64% (9)</td>
<td></td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>50% (7)</td>
<td></td>
</tr>
<tr>
<td>High plains</td>
<td>50% (3)</td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>50% (3)</td>
<td></td>
</tr>
<tr>
<td>Upper East</td>
<td>33% (3)</td>
<td></td>
</tr>
<tr>
<td>Northwest</td>
<td>33% (2)</td>
<td></td>
</tr>
<tr>
<td>Southeast</td>
<td>33% (2)</td>
<td></td>
</tr>
<tr>
<td>Central</td>
<td>10% (1)</td>
<td></td>
</tr>
</tbody>
</table>

Upper Rio Grande, Metroplex, South and Gulf Coast Have a Large Number and/or Percent of Underperforming Institutions

Over Two Thirds of Students in These Regions Attend Underperforming Institutions

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Students</th>
<th>Percent of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Rio Grande</td>
<td>100% (7,772)</td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>85% (19,713)</td>
<td></td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>69% (17,418)</td>
<td></td>
</tr>
<tr>
<td>Metroplex</td>
<td>68% (24,363)</td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>68% (2,685)</td>
<td></td>
</tr>
<tr>
<td>Northwest</td>
<td>58% (2,595)</td>
<td></td>
</tr>
<tr>
<td>Upper East</td>
<td>50% (5,419)</td>
<td></td>
</tr>
<tr>
<td>Southeast</td>
<td>41% (4,773)</td>
<td></td>
</tr>
<tr>
<td>High plains</td>
<td>40% (7,809)</td>
<td></td>
</tr>
<tr>
<td>Central</td>
<td>2% (25,469)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Institutions were ranked as “low performing” if their graduation rate was below the TX average (two-year: 30%, four-year: 56%), Cohort enrollment was used for “Number of Students attending IHEs Performing Below Texas Average)
Source: THECB

*Upper Rio Grande is a critical region to focus on given that virtually all students in the region attend a low performing institution*
Regional Research and Interviews Verify That the Five Regions With Largest Underserved Populations and Low Performance Have Conducive Conditions for Reform

**Regions**

- **Central**
  - Established collaborative efforts pushing reform
  - Easy access to state capital resources
  - Vibrant business community

- **Gulf Coast**
  - Successful reform programs
  - High level of philanthropic support
  - Large college systems supporting smaller institutions
  - Growing coordination among IHEs, ISDs, ESCs, and P-16

- **Metroplex**
  - Vibrant business community that is increasingly engaged in education
  - Strong impetus for 2- and 4-year IHE partnerships
  - Increasing momentum for regional collaboration

- **South Texas**
  - Strong levels of state and philanthropic support
  - Leadership committed to improving education outcomes
  - Community-wide collaboration

- **Upper Rio Grande**
  - Close community of educators, activists, business leaders, K-12 and PSE
  - Strong national and state funder presence
  - Active community support for and interest in improving outcomes

Source: FSG analysis and interviews
Metroplex, Gulf Coast, South, Central and Upper Rio Grande Were Identified as the Five Critical Regions Requiring Focused Attention

<table>
<thead>
<tr>
<th>Region</th>
<th>Large Underserved Population</th>
<th>Low Performance</th>
<th>Conducive Conditions for Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metroplex</td>
<td>Met criteria</td>
<td>Partially met criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>Met criteria</td>
<td>Partially met criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>South Texas</td>
<td>Met criteria</td>
<td>Partially met criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>Upper Rio Grande</td>
<td>Did not meet criteria</td>
<td>Met criteria</td>
<td>Partially met criteria</td>
</tr>
<tr>
<td>Central</td>
<td>Met criteria</td>
<td>Partially met criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>Northwest</td>
<td>Partially met criteria</td>
<td>Partially met criteria</td>
<td>Partially met criteria</td>
</tr>
<tr>
<td>Upper East</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>Southeast</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>West</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
</tr>
<tr>
<td>High Plains</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
<td>Did not meet criteria</td>
</tr>
</tbody>
</table>

Additional research on the five critical regions was conducted to identify challenges and opportunities for future reform.

Source: FSG Analysis
The Demographic Makeup of the Five Critical Regions Varies Considerably, But All Have A Growing Hispanic Population

The Percentage of Hispanics in the Student-Aged Population in the Five Selected Regions Ranges from 84% to 25%

However, Population Growth in all Regions Will Come Primarily from Hispanics

Source: Texas State Demographic Data, FSG Analysis
Median Household Income In the Five Selected Regions Varies Significantly, Ranging from $35K to $55K

Income affects attainment: 82 percent of high school graduates from families in the highest income quartile enroll in college vs. only 54 percent of those from the lowest income quartile

Regions With the Highest Percentage of Developmental Education Students Also Have the Lowest Graduation Rates

<table>
<thead>
<tr>
<th>Region</th>
<th>PSE Graduation Rates</th>
<th>% of Students Requiring Dev Ed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Texas</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Gulf Coast</td>
<td>19%</td>
<td>47%</td>
</tr>
<tr>
<td>Metroplex</td>
<td>18%</td>
<td>46%</td>
</tr>
<tr>
<td>South Texas</td>
<td>16%</td>
<td>52%</td>
</tr>
<tr>
<td>Upper Rio Grande</td>
<td>13%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: THECB Regional High School to College Data, THECB 1998 7th Grade Cohort Data
Central Texas Flagships Serve the State’s Highest Achieving Students, but the Region Faces Large and Growing Disparities

1. Geography

- 64% of Central Texas students remain in the region when enrolling in higher education

2. Demographics

- Central Texas has the highest proportion of Whites in the state
- Central Texas will contribute 12% of the student-aged population growth in Texas between 2010-30, mainly from Hispanics

Population Ages 18-24 by Race/Ethnicity and Region, 2010, 2030

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>White</td>
<td>59%</td>
<td>48%</td>
</tr>
<tr>
<td>African American</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>25%</td>
<td>37%</td>
</tr>
</tbody>
</table>

3. Higher Education Results

- Central Texas outperforms state average attainment rates because of its large white population which has high attainment rates
- The gap between Whites and Hispanics in PSE enrollment is the highest in the state (29%)

Source: Texas State Demographic Projections, US Census 2008, THECB Regional Data, THECB High School to College Data, Google Maps
Gulf Coast Has Nearly 25% of Texas's College-Age Students, Most from Populations with Low Attainment Rates

1. Geography

- 59% of Gulf Coast students remain in the region when enrolling in higher education

2. Demographics

- Gulf Coast demographics reflect Texas's average, its income is higher than Texas average
- Gulf Coast will contribute 22% of the student-aged population growth in Texas between 2010-30, mainly from Hispanics

<table>
<thead>
<tr>
<th>Population Ages 18-24 by Race/Ethnicity and Region, 2010, 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2030</td>
</tr>
</tbody>
</table>

3. Higher Education Results

- Gulf Coast underperforms in high school graduation (-2%) but outperforms Texas averages in PSE enrollment and graduation (+1%)
- Gulf Coast Hispanics underperform Whites, with the largest gap in PSE enrollment rates

Source: Texas State Demographic Projections, US Census 2008, THECB Regional Data, THECB High School to College Data, Google Maps
Metroplex Is Experiencing Rapid Growth in Its Hispanic Population, Whose Achievement in the Region Is Far Below Average

1. Geography

60% of Metroplex students remain in the region when enrolling in higher education

2. Demographics

- Metroplex has higher than average percent White population and income
- Metroplex will contribute 37% of the student-aged population growth in Texas between 2010-30, mainly from Hispanics

Population Ages 18-24 by Race/Ethnicity and Region, 2010, 2030

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>White</td>
<td>49%</td>
<td>34%</td>
</tr>
<tr>
<td>African American</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>30%</td>
<td>47%</td>
</tr>
</tbody>
</table>

3. Higher Education Results

- Metroplex performs at the Texas average for PSE enrollment and graduation
- African Americans and Whites outperform Hispanics throughout the pipeline

Source: Texas State Demographic Projections, US Census 2008, THECB Regional Data, THECB High School to College Data, Google Maps
South Texas is a large and mostly Hispanic region with low education attainment rates.

1. Geography

South Texas has a large Hispanic and low income population. South Texas will contribute 23% of the student-aged population growth in Texas between 2010-30, mainly from Hispanics.

2. Demographics

- South Texas has a large Hispanic and low income population.
- South Texas will contribute 23% of the student-aged population growth in Texas between 2010-30, mainly from Hispanics.

Population Ages 18-24 by Race/Ethnicity and Region, 2010, 2030

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>White</th>
<th>Hispanic</th>
<th>African American</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1%</td>
<td>21%</td>
<td>4%</td>
<td>73%</td>
</tr>
<tr>
<td>2030</td>
<td>2%</td>
<td>16%</td>
<td>3%</td>
<td>80%</td>
</tr>
</tbody>
</table>

3. Higher Education Results

- South Texas underperforms the State in degree completion.
- 21 of 22 PSE institutions in South Texas and San Antonio are classified as “minority-serving.”

Source: Texas State Demographic Projections, US Census 2008, THECB Regional Data, THECB High School to College Data, Google Maps
El Paso has the largest proportion of Hispanics and lags far behind the state average educational outcomes.

1. Geography

- El Paso is 84% Hispanic and the lowest income region in Texas.
- El Paso will contribute 3% of the student-aged population growth in Texas between 2010-30, mainly from Hispanics.

2. Demographics

- El Paso students remain in the region when enrolling in higher education.

3. Higher Education Results

- El Paso enrolls high school graduates in PSE at a higher rate than state averages (+1%) but underperforms drastically in degree attainment (-5%).
- The gap between minorities and Whites is the lowest in the state.