

# UH's Goal: Access with Success

by David McClain, Interim President, University of Hawai'i System

*This essay was prepared in response to the National Center for Higher Education Management report released on Jan. 17, 2006, that compared the performance of the higher education sectors, public and private, of all 50 states. A column drawn from this essay appeared in the Honolulu Star Bulletin on Sunday, Jan. 29 and can be found at [www.starbulletin.com/2006/01/29/editorial/commentary.html](http://www.starbulletin.com/2006/01/29/editorial/commentary.html)*

As I've observed in testimony before the Legislature, our repair and maintenance backlog suggests that the State of Hawai'i hasn't been spending enough on the University. Yet a study published last week by the National Center for Higher Education Management Systems invites another perspective: that UH hasn't been spending its money wisely. Flaws in the study and the constraints of island geography, however, raise doubts about this conclusion.

Based on 2002–2003 data, the study finds that Hawai'i's public and private colleges are seriously underperforming. Performance is measured in terms of certain outcomes (e.g., our ability to move students through the educational “pipeline,” from 9th grade through college graduation, in a timely fashion) achieved per dollar spent per full-time-equivalent student. Though the study refers to all public and private sector institutions—a group that includes not only the University of Hawai'i's 10 campuses, but also Brigham Young University–Hawai'i, Chaminade University and Hawai'i Pacific University as well as several other smaller institutions—clearly UH is responsible for most of the results, since we account for about three-quarters of the state higher education sector as a consequence of educating 50,000 student for credit and another 25,000–30,000 in non-for-credit coursework.

UH's community colleges are portrayed as slightly below average in terms of degrees and other credentials conferred, in terms of costs per student, while we have considered them exemplars on the national stage in terms of both quality *and* efficiency. The UH research enterprise, largely centered at Mānoa, is described as well above average in terms of outcomes, but with an expensive cost structure. Yet this flies in the face of the fact that our indirect cost rate is one of the lowest in the nation, suggesting that our research enterprise is extraordinarily efficient.

On most other performance indicators, our state comes off as average in outcomes, but high-cost in terms of dollars spent per full-time equivalent student to achieve those outcomes.

Still, Dennis Jones, the president of NCHEMS, co-author of the study with Patrick Kelly, is one of the nation's foremost analysts of higher education, and we at UH take his work seriously.

## Data Gremlins

There is, however, a fundamental problem with the study. Kelly and Jones used a mainland price index that excludes Hawai'i and Alaska (the Berry Cost of Living Index) to adjust for cost differentials between states. They then assumed that Hawai'i and Alaska had costs of living above the 48-state average by the same amount, 16 percent, as the most expensive mainland state. Mr. Kelly has told UH officials he feels “weird” about the Hawai'i results, and

notes that another cost of living measure they could have used would have had Hawai‘i’s cost of living nearly 50 percent higher than average, likely a much truer differential. (I know from trying to recruit faculty and executives from the University of Texas that Honolulu is 70 percent more expensive than Austin.)

The upshot is that in the NCHEMS study Hawai‘i’s expenditures per student may be overstated by some 15–20 percent relative to other states. As a result, our productivity—on all outcomes measures reported—may be understated by 15–20 percent.

Perhaps our perceptions of our community colleges and our research and scholarship reputation aren’t so wrong after all.

Still, in terms of throughput—the timely flow of students through the educational pipeline—we know we must improve. Hawai‘i as a state is one of the lowest performing in this regard, with only 13 percent of 9th graders making it through high school on time, into college, and graduating in six years from a baccalaureate institution (or three years from a community college). The best states’ throughput performance is more than twice as high.

The authors note that the performance of state higher education systems varies directly with the preparation of high school students entering those systems. We concur and find that, of those students entering our open-enrollment community college system after graduation from high schools within the State of Hawai‘i Department of Education, more than 80 percent need remediation in math, and between 60 and 80 percent need remediation in reading and writing.

Noting that Alaska and Maine are also “seriously underperforming” states suggests another factor that may be important, but is unexamined in the study: the high fixed costs of providing education at a number of small sites distributed around a state to serve a geographically dispersed population. Only 3 of our 10 campuses (Mānoa, Leeward and Kapi‘olani) have more than the 5,000 students needed to fully realize the available economies of scale.

Since I began leading this university in mid-2004, our campus chancellors and I have emphasized increasing our efficiency for the taxpayers, students and parents who finance our operations. Last spring, UH Mānoa vice-chancellor Neal Smatresk found a way to offer 8 percent more sections at no additional cost, and a slimmed-down Mānoa core curriculum put in place in 2002 permits students to move through our university more rapidly. We’ve worked hard to streamline the articulation process between campuses (smoothing the way for students to transfer credits) and to provide our students better information about which courses transfer for which degrees. Our P–20 and Gear-Up initiatives are designed squarely toward improving the readiness of K–12 students for college work.

## **Access with Success**

So which is it? We haven’t had enough money, given the particularities of our island environment, or we simply haven’t made good choices about how we’ve spent it? In hindsight, UH should have spent more of its limited funds in the 1990s on repair and maintenance. It may also be that UH should have been more aggressive in eliminating programs and increasing support services to students to improve retention and ultimately, graduation rates. We were so committed to *access* to higher education, and to providing a wide range of programs so that students wouldn’t have to go to the mainland to pursue a specialty, that we neglected to pay

enough attention to *success* in higher education. Clearly, while students need access to post-secondary education and training, they also need to succeed in attaining the credentials demanded in the workplace.

Given our system of shared governance and the usual complications with labor and other contractual relations, making these choices in the 1990s was difficult, I'm sure. And for a state that had grown pretty steadily from the 1960s through the early 1990s, there was always the temptation to believe that fiscal matters would turn around soon.

This year's supplemental budget request is focused on ensuring success as well as access. We want our students to have a safe and healthy environment in which to learn, with the lights and computers turned on; an environment with sufficient advisors and financial aid specialists to permit them to make good choices about how to plan and finance their course of study; and an environment that educates and trains them for positions in the workforce where we know there is high demand and for which they'll be motivated.

We look forward to working with the governor and the Legislature to this end.