Perpetuating Disparity: Performance and Policy in Georgia Higher Education

Joni Finney and Laura Perna
University of Pennsylvania, Institute for Research on Higher Education

Patrick Callan
National Center for Public Policy and Higher Education

May 2012
Overview
At a time when postsecondary education is more important than ever, Georgia’s higher education policies and priorities are putting up barriers that make it harder for black, Hispanic and poor Georgians to get a college education.

Higher education in Georgia lags below the national average on most key measures of performance, threatening the state’s ability to compete economically. Georgia ranks 29th among states in the share of adults 25 and older who have earned at least an associate’s degree, at 34%. Yet by 2018, about 58% of Georgia jobs are projected to require at least some postsecondary education or training.

The state’s college-age population (ages 18 to 24) is projected to increase by 40% by 2030, creating pressure on the state’s K-12 and higher education institutions to serve more students. Most of this growth will be among Latinos, a fast-growing minority, as well as among blacks, in a state with the nation’s largest black population. To produce enough college-educated citizens to compete for skilled 21st-century jobs, Georgia must find a way to reduce huge disparities in educational attainment between minorities and whites. But at present, Georgia’s higher education policies have the unintended consequence of perpetuating these disparities.

Weaknesses
Lagging performance: Despite modest improvements over the past decade, Georgia’s performance on preparation for college, participation in college, and college completion continues to lag behind the national average. At the current rate of improvement, Georgia is unlikely to reach the levels of educational attainment required to meet international competitiveness or workforce needs in the foreseeable future.

Preparation: Georgia lags behind the nation and other southern states in high school graduation rates, whether the rates are calculated using the average freshman graduation rate (62% for Georgia vs. 73% nationwide), or the Cumulative Promotion Index (56% for Georgia vs. 69% nationwide).

Participation: The proportion of 18- to 24-year-olds enrolled in some type of postsecondary education in Georgia increased from 23% in 1991 to 31% in 2009 but remains below the national average (36% in 2009). Similarly, the “chance for college” in Georgia—that is, the likelihood that a ninth grader will enroll in college right after high school graduation—increased from 31% in 1998 to 41% in 2008 but remains below the national average (44%), slightly below the average of southern states (42%), and well below the average of top-performing states (58%).
Completion: Degree completion rates in Georgia increased somewhat during the past decade but are still substantially below the national average and the average of top-performing states. About 47% of first-time, full-time students who entered college in Georgia in 2002 completed a bachelor’s degree within six years. This degree completion rate is up from 44% in 1997 but remains below the national rate (56%) and the rate among top states (65%).

Persistent disparities: Georgia’s low performance in higher education masks even lower outcomes for black, Hispanic, and low-income students.

In 2007, for example, high school graduation rates in the state were 65% for white students (calculated by the CPI method), compared with 48% for black students and 43% for Hispanic students. Failure rates on the Georgia High School Graduation Test are also higher for blacks and Hispanics than for whites. In 2009-10, 19% of blacks and 18% of Hispanics failed the English component of the test, compared with 8% of whites.

Not only are black and Hispanic students less prepared for postsecondary education, they are less likely to enroll and less likely to earn a degree. In 2005, among Georgia adults ages 25 to 34, 30% of blacks and 14% of Hispanics had attained at least an associate degree, compared to 43% of whites.

Little need-based aid: Compared with other states, Georgia invests substantially in student financial aid, largely through the very popular HOPE Scholarships. These Lottery-funded scholarships are not need-based; they go to Georgia residents enrolled in degree-granting programs with at least a 3.0 GPA, either in high school or after a period of college work, and most of the scholarships’ benefits flow to the middle class. Thus the program does little to ameliorate inequalities in educational attainment. Hope Grants, also funded by the Lottery, go only to people seeking non-degree, workforce certificates, primarily in technical colleges, and do not help students attain associate and bachelor’s degrees.

Background

52% of Georgia postsecondary students are enrolled in the University System of Georgia, 26% are enrolled in the Technical College System of Georgia, 10% are enrolled in private not-for-profit institutions, and 12% are enrolled in private for-profit institutions.

Following a recent reorganization, the constitutionally autonomous University System of Georgia’s 35 higher education institutions include four research universities, two regional universities, 13 comprehensive universities, 14 state colleges, two two-year colleges, and an oceanography institute.

The Technical College System of Georgia (TCSG) is a state agency responsible for 26 technical colleges that offer workforce certificate programs for Georgia residents.

Ten historically Black Colleges and Universities (HBCUs) play an important role in Georgia higher education. Three are part of the University System of Georgia; seven are private, not-for-profit institutions. The three public HBCUs enroll 12.9% of all black students in the University System.
Georgia’s need-based financial aid program, the Leveraging Educational Assistance Partnership, is small, representing less than one percent of Georgia’s state student aid. In fiscal year 2011-12, Gov. Deal and the Legislature instituted the Student Access Loan Program, which provides low-interest loans, but not grants, for a relatively small number of needy students.

**Poor articulation:** Student transfer from the Technical College System—which award mostly workforce certificates, and where the poor and minorities are concentrated—to the University System does not work well. Credits are hard to transfer, and there are other administrative barriers. Some articulation agreements have been established between individual technical colleges and local four-year institutions, but statewide articulation has been difficult to achieve. Moreover, when technical college students do succeed in transferring credits to USG, there is no guarantee that they will be eligible for the HOPE Scholarship even if they transfer in with a technical college GPA of 3.0 or higher.

Georgia has recently made some progress, however. In March 2012, the USG Regents approved an expansion of general education courses in the Technical College System that can be transferred to USG, increasing the number of such courses from 5 to 27. Structural barriers to transfer have also been reduced; for example, the technical colleges shifted from the quarter system to USG’s semester system. These developments hold promise.

By contrast, students can easily transfer between the two two-year institutions and the four-year schools within the USG.

**Diminishing affordability:** Falling incomes and rising tuition are making college less affordable in Georgia. From 1999 to 2009, median family income in Georgia fell by 7%, but tuition rose by 30% at public two-year colleges and by 49% at public four-year colleges and universities (in constant dollars).

Under the recent economic conditions, Georgia’s political leaders have been unable either to maintain stable funding for higher education or to achieve cost efficiencies or greater productivity.

**Fiscal constraints:** The wealth of Georgia’s population is relatively low—the state ranks 38th in per capita personal income. Although the state budget for fiscal year 2012 rose by 2.3% over the previous year, funding for higher education was reduced by 8.1%, including a reduction of 9.1% for colleges and universities and 2.1% for technical colleges.

Adding to Georgia’s fiscal challenges, the state’s lottery sales, which support the HOPE Scholarship and Grant Program, have not kept pace with previous annual increases and, in fact, declined from 2010 to 2011. If this trend continues, the state will run out of reserves, possibly as soon as 2013, and be unable to fund the HOPE program at its present level. Already, the state is tightening the HOPE eligibility requirements in response to the grim financial outlook.
Finally, as with many other states, Georgia is likely to face budget deficits into the future that will further constrain its ability to meet its financial obligations.

**Lack of sustained policies:** Partly due to the fact that its high school students are poorly prepared for postsecondary education, Georgia has given considerable attention since the early 1990s to linking its K-12 schools with colleges and universities. These longstanding efforts (known as P-16, shorthand for pre-kindergarten through college) have resulted in better collaboration across state agencies, but they have suffered from the lack of sustained statewide policies—particularly those linked to finance or accountability—to improve student preparation for and success in college. Patterns of instability in P-16 work under different governors; potential conflicts between the priorities of the governor and those of the elected state superintendent of schools; and leadership turnover in the Alliance of Education Agency Heads, which was created by Gov. Sonny Perdue in 2006, all suggest that the P-16 work in Georgia, rather than producing sustained state policy, has been vulnerable to short-term budget needs.

**Strengths**

**Research:** The Georgia Research Alliance, established in 1990, is a not-for-profit public-private partnership that encourages cooperation among businesses, research universities, and state government. The state has supported the Research Alliance’s efforts to broaden and strengthen the state’s economy—for example, by fueling innovative university-business research partnerships in the technology sector. The Alliance is one reason that Georgia higher education has the nation’s fourth-highest investment in research: $143,755 per full-time faculty member at public research universities, compared with $82,977 nationwide.

**Workforce readiness:** The Quick Start program, active since 1967, bridges education, government, and business to support economic and workforce development. Overseen by the Technical College System of Georgia, Quick Start promotes collaboration between the state’s technical colleges and companies that need workforce education.

Several policies at the state level support workforce training in Georgia. Students who enroll in non-degree workforce training programs in the Technical College System can qualify for the state’s HOPE Grant Program, a financial aid program specifically focused on students in workforce programs. Second, some HOPE Grants are aligned with Quick Start to facilitate access and affordability for those seeking workforce training in new and expanding businesses. HOPE Grants appear to be important for student enrollment and completion. About 77% of Technical College System students receive financial support from the HOPE program.

**Conclusion**

In their current form, Georgia’s higher education policies are likely to perpetuate rather than ameliorate disparities by race, ethnicity and income, making it difficult to raise the educational attainment of the state’s population as a whole.
Because most state aid is merit-based rather than need-based, Georgia students in the highest family income quintile receive higher amounts of state grants than those in the lowest income quintile, and students in the most selective public institutions receive more state aid than those in less selective public institutions. While income stratification in higher education is not unique to Georgia, few states have explicit policies that encourage it.

Moreover, Georgia’s patterns of enrollment show stratification by race as well as by income, with black and Latino students concentrated in private for-profit institutions, associate-degree granting institutions of the University System, and the Technical College System. The fact that it is difficult for students to transfer from the Technical College System to the University System only compounds the problem. The lack of articulation between the two systems limits the state’s ability to accommodate enrollment growth, increase overall rates of college completion, and reduce gaps in performance by racial and income groups.

On the positive side of the ledger, Georgia has implemented public policies and created public entities that provide a sustained statewide approach to economic and workforce development, including research competitiveness. Over time, this approach has guided and supported higher education in developing effective research partnerships and workforce training programs. Georgia is among the top states in the production of workforce credentials, which attests, in large part, to the productivity of workforce training in the Technical College System.

But the state has been markedly less successful at producing sustained policies linking K-12 schools to higher education, putting higher education on a sound financial footing, and developing a funding system that promotes accountability for achieving important higher education goals. Moreover, Georgia lacks a clear plan to accommodate enrollment growth in the postsecondary system, which is becoming increasingly important as the state’s young population grows larger and more diverse. One reason that policies have been hard to sustain is a lack of continuity in state higher education leadership; governors have had shifting policies and priorities, and no other voice or institution at the state level consistently speaks for all of higher education.

To compete economically with other states and nations, Georgia must improve the performance of its education systems and raise the educational attainment of its population. To reach this aim, the state needs to develop finance and other state policies that are linked to statewide goals for improved higher education performance. Are Georgia’s leaders up to the challenge?
Data Sources


http://www.gse.upenn.edu/irhe/srp/georgia


University System of Georgia. (2010). *University system of georgia number and percentage of HOPE scholarship recipients by student level fall 2009.* University System of Georgia.


State Review Project on Policy and Performance in Higher Education

Purpose of The Project
The National Center for Public Policy and Higher Education’s biennial state-by-state report card, Measuring Up, shows that, between 2000 and 2008, many states improved their performance on key measures of college preparation, participation, and completion. While shedding light on performance in key areas relative to other states, the report cards do not reveal the policies and practices that contribute to a state’s performance or the reasons that some states improved their performance while other states declined. Understanding these issues is a critical step toward identifying how to improve higher education performance within a particular state and subsequently realize the level of degree production required to compete in a global economy. This project improves our understanding of how states can improve degree attainment in the context of fiscal, demographic, and other challenges.

Methods
This project draws on data collected from case studies of five states: Georgia, Illinois, Maryland, Texas, and Washington. We used a number of data sources to construct the case studies. For each state, existing data sets, media reports, and government and other documents were first used to produce a “briefing book” that described trends in the state’s higher education performance, as well as the state’s demographic, economic, and political context. The briefing book also presented a preliminary report of the public policies that operate within the state. The briefing books were then used to generate state-specific hypotheses about the relationship between public policy and higher education performance in the state.

We then used state-specific protocols to collect data explaining the relationships between formal and informal policies and state performance. The research team spent three to five days in each state conducting individual and group interviews with institutional and state leaders who were expected to be knowledgeable about particular dimensions of higher education performance and relevant policies and practices. In each state we spoke with elected officials and staff in the executive and legislative branches of government, staff and leaders of administrative agencies and governing boards, K-12 and higher education leaders, business and civic leaders, and leaders of associations representing other relevant constituencies (e.g., private college association). Many of these informants provided us with additional relevant supporting documents. A case study report drawing on the multiple sources of data was produced for each state. Cross-state analyses identify themes that cut across the five states.

Project Team
This project was completed by a team of researchers from the National Center for Public Policy and Higher Education and The Institute for Research on Higher Education (IRHE). This team was led by Joni Finney and Laura Perna, co-directors of the project and professors of higher education at the University of Pennsylvania. Other members of
the project team were Michael Armijo, Awilda Rodriguez, and Jamey Rorison. Scott Stimpfel and Christopher Miller also provided assistance.

Project Sponsors
The project was sponsored by the Institute for Research on Higher Education at the University of Pennsylvania and the National Center for Public Policy and Higher Education.

Founded in the mid-1980s, the Institute for Research on Higher Education (IRHE) is a university-wide research institute that conducts research relevant to policymakers and educational practitioners. Under the leadership of its first director, Robert Zemsky, one of the first projects, undertaken with the College Board, resulted in the development of a framework for understanding the higher education market for undergraduate education. IRHE also served a national convening role in the 1990s, publishing Policy Perspectives focused on the future of American higher education. In 1995 IRHE won the competition for a five-year federally funded National Center on the Improvement of Postsecondary Education. From 2009 to 2011, under the leadership of its new director, Joni Finney, IRHE collaborated with the National Center for Public Policy and Higher Education to complete a five-state policy review, to explain the relationship between public policy and state performance in higher education. For further information about the state policy review project, visit www.gse.upenn.edu/irhe/srp.

Founded in 1740 by Benjamin Franklin, the University of Pennsylvania is America’s first university and one of the world’s premier research universities. The Penn Graduate School of Education (Penn GSE)—one of only three schools of education in an Ivy League institution—is recognized as one of the best in the United States. Penn GSE is broadly interdisciplinary with a long history of excellence in qualitative research, language and literacy studies, practitioner inquiry and teacher education, quantitative research, policy studies, evaluation, higher education, and psychology and human development. Faculty in the School’s Higher Education Division focus their research on access and equity; diversity and higher education; policy and public financing; civic engagement; organizational change; and the impact of the marketplace on colleges and universities.

The National Center for Public Policy and Higher Education promotes public policies that enhance Americans’ opportunities to pursue and achieve high-quality education and training beyond high school. As an independent, nonprofit, nonpartisan organization, the National Center prepares action-oriented analyses of pressing policy issues facing the states and the nation regarding opportunity and achievement in higher education—including two- and four-year, public and private, for profit and nonprofit institutions. The National Center communicates performance results and key findings to the public, to civic, business, and higher education leaders, and to state and federal leaders who are in positions to improve higher education policy.

This publication is supported by grants from the Bill & Melinda Gates Foundation and Lumina Foundation for Education. Statements and views in this report do not necessarily
reflect those of the funders and are solely the responsibility of its authors and the National Center for Public Policy and Higher Education.