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The Missing Element in Education Reform: State-Based Policies to Improve Postsecondary Outcomes

By Michael Brickman

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Key Points

- Higher education reformers should align their efforts with the lessons they have learned in the K–12 space—namely, promoting meaningful competition and market-based accountability, aligning educational pathways with other parts of the education and training equation, and ensuring students are empowered to make informed choices among diverse, high-quality providers.
- Among the many state-level factors that do not get sufficient attention, the greatest may be the extent to which state policies either incentivize or force citizens to purchase more postsecondary education credits than they would otherwise desire to earn a living in their chosen profession.
- Whether in K–12 education, health care, childcare, or any other profession, the North Star for state leaders should be valuing competency ahead of college credits.

Education reformers have spent decades doggedly working to improve student outcomes in K–12 education by championing policies spanning federal, state, and local jurisdictions. Whether supporting COVID-19 learning loss recovery at the local level, education savings accounts at the state level, or policies to ensure more funds follow students at the federal level, reformers have a wide-ranging and often complementary K–12 agenda across each level of government that is designed to better prepare children for later life.

Higher education is a much different story. Policy ideas at the federal level are plentiful; however, state- or institution-level policies are examined and implemented far less frequently.[1] Often discussed, for example, are federal reforms to promote innovative academic programs or protect taxpayers from risky decisions regarding the federal student loan portfolio. That is not to say that state legislators, governors, and researchers have failed to diagnose challenges at the state level. In fact, issues such as affordability and alignment of curriculum to workforce needs are top concerns in state capitals.

However, attempts at such reform have too often been incremental rather than transformational, reactive rather than proactive, and lacking in the type of cohesive framework and vision often seen in K–12 education reform.

When trends can be uncovered, the policies revealed are often ineffective or even destructive to commonly held goals such as improving affordability and access while narrowing the gaps between the careers people want and the education they need to get there. States too frequently turn to blue-ribbon commissions, student "bill of rights" policies that can further complicate student loan options for students, or simplistic attempts to ban things they do not like and mandate things they prefer.[2]

Instead, higher education reformers should align their efforts with the lessons they have learned in the K–12 space—namely, promoting meaningful competition and market-based accountability, aligning educational pathways with other parts of the education and training equation, and ensuring that students are empowered to make informed choices among diverse, high-quality providers. Together, these lessons can bolster improved higher education policymaking where it is most lacking: the states.

Recognizing How State Policy Influences Demand for Postsecondary Credentials

Among the many state-level factors that do not get sufficient attention, the greatest may be the extent to which state policies either incentivize or force citizens to purchase more postsecondary credits than they would otherwise desire to earn a living in their chosen profession. For decades, employers, governments, and nonprofit organizations have steadily increased the entry-level requirements to do the same job at the same real wages.[3]

As requirements have evolved from a minimum of a high school diploma to a bachelor's degree or from a bachelor's degree to a master's degree, a familiar response has been simply to help workers try to keep pace. And, at first glance, that may seem appropriate. After all, few would choose a less educated populace over a more educated one. And so, for decades, it has been fashionable to zero in on postsecondary degree attainment as a central national goal. In a relatively short period, a wave of policies to support this credentialing drive has made federal student loans much easier to obtain, while forgiveness and repayment options have become much more generous.[4]

This has allowed more students the opportunity to get an education leading to a good job. Unfortunately, it has come with unintended consequences. Even if college is affordable or free, opportunity costs must be considered, too, especially for adult learners with family obligations.

And so, while college enrollment is up, roughly two out of every five people who go to college do not finish a two- or four-year degree within eight years.[5] These completion rates have remained mostly flat as access and college going have expanded, and for less selective colleges, they are down by a meaningful amount.[6] This may surprise some, but as we require more and more education for a growing list of lower- and lower-paying jobs, should we really expect better results when returns for students are diminishing?

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Naturally, this dynamic contributes to loan balances that must eventually be repaid by borrowers or taxpayers and more students without a credential that could make them competitive applicants in the workforce. Even many who graduate also struggle. Lower-income individuals seeking education to reach the first rungs on the ladder to the middle class are much more likely to default than their wealthier peers are, especially if they attend a nonselective college or university.[7] Those who never attend college are perhaps most adversely affected, as more good jobs move further out of reach and unpaid student loan bills add to their tax bills.

These challenges are well-known but almost always discussed as national rather than state issues, often because the conversation is limited to federal student loan policy. However, there are meaningful steps state policymakers can take to create opportunity and reduce the drivers of these debt and credential inflation crises. After all, many of the policies that result in loans being taken out in the first place are set in statehouses.

Addressing Credential Inflation in the States

States determine the extent to which specific professions require certain credentials. For example, states regulate if nurses must have a two- or four-year degree and whether childcare providers are incentivized or even required to have a postsecondary degree, and they set similar requirements for numerous other professions too. To be clear, national groups such as professional associations, unions, and accrediting bodies heavily influence these decisions. However, more often than not, states have the final say.

Yet few states are holding the line on credential inflation. Perhaps no field is more notorious for these types of requirements than K–12 education. Although research consistently shows little impact on students' test scores if their teacher has a master's degree, state and local incentives and requirements for graduate-level credits and degrees are pervasive.[8] As a result, 59 percent of K–12 teachers now have a master's degree or higher.[9] And it takes almost a decade for the average teacher to make back in wages what they spent on tuition, to say nothing of other costs and the time they spent.[10] To provide these credentials, a non-flagship public university's graduate programs are almost sure to involve its college of education, and, at many of these universities, those offerings dominate.

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State and local leaders have the power to pare back this extremely costly enterprise. Rather than requiring frequently underpaid teachers to focus their scarce time and personal resources on earning college credits that research shows will not help their students, they can incentivize practices that actually show promise and reduce student debt at the same time.

Decisions about specifically which alternatives to promote are probably best made at the school or even classroom level. However, states can review current state incentives or even require that local incentives be tied to teachers' use of research-based practices, proven performance in the classroom, or willingness to take on progressive levels of responsibility that allow them to balance teaching and leadership. Creative states and districts might even devise entirely new ways of organizing schools that give teachers significantly more autonomy and ability to be entrepreneurial.[11]

Why States Should Shift Their Focus from Credentials to Competencies

Whether in K–12 education, health care, childcare, or any other profession, the North Star for state leaders should be valuing competency ahead of college credits. Legislators would do well to examine their state code from top to bottom for any mention of an education requirement, whether for employees in the private sector or government. If the mandate can be removed without a serious risk to public health or safety, it should be—especially if there is little evidence supporting its necessity.

However, even when evidence points to a benefit from additional education at the macro level, some excellent candidates will still be excluded. Here, state policymakers should offer alternative, parallel pathways to these jobs.

If candidates can demonstrate sufficient knowledge and skills for performance in the profession, they should not be held back by time- or credit-based barriers that require them to work for a lower wage until they can pay for college credits, likely covering material they already know. Apprenticeship is a time-proven way to achieve this and is incorporated into many states' licensing policies already, though it is frequently underutilized and under-advertised.

Utah is a helpful example of what it looks like for states to take a step in the right direction. In 2019, Utah allowed its state licensing bodies to permit applicants for state occupational licenses "to complete a competency-based licensing requirement as an alternative to completing the time-based licensing requirement."[12] While this law merely permits these pathways, requires significant consultation with outside parties likely to oppose changes, and sets limits if outside accreditors or boards are involved, it is a worthwhile first step that others should build on.

Ideally, other states would follow Utah's lead and go even further, but it is easy to see why progress in this area is difficult. A move away from a single path to licensure is likely to be derided by anyone with a stake in limiting entry into a profession—from incumbents with an eye on their competition to associations focused on professional prestige—as an assault on quality and high standards. The truth, though, is that providing flexibility in licensing can often have just the opposite effect.

Although entry into many professions may be onerous, expensive, and time-consuming, the steps required do not necessarily equate with on-the-job competence. They do, however, have the effect of reducing access to these professions, especially by members of disadvantaged groups, who may be more likely to struggle as the number and cost of these hurdles increase.[13] Therefore, poorly targeted requirements may actually lower quality overall by excluding individuals who are perfectly capable of doing the job but less adept at proving it in the time, place, and manner preferred by state regulators.

Addressing Credential Inflation Through State Higher Education Policy

The teaching profession, in which there is constant tension between rigorous requirements and avoiding shortages, once again provides a useful example of how to strike the right balance. Massachusetts students perform significantly better in reading and mathematics than students in nearly every other state.[14] The Massachusetts Tests for Educator Licensure may be part of the reason. It is a rigorous test that aligns with job requirements, and so, if used smartly, it can improve outcomes for K–12 students and open doors to more people who would like to become teachers. One 2020 study found that the tests are "positive and statistically significant predictors of teachers' in-service performance ratings and contributions to student test scores."[15] As a result, a handful of other states have slowly adopted them.

More should follow suit and, particularly in schools facing shortages, offer the test as a competency-based path to licensure for nontraditional candidates, perhaps alongside parallel pathways such as apprenticeships. Taken together, these steps allow states to minimize the often-bureaucratic requirements for entry while opening doors to more groups, such as teachers who are licensed in other states and those with professional experiences they would like to bring into the classroom. Just as many teachers who want to advance in their career hesitate to leave the classroom, so, too, are there many capable administrators who would effectively manage a school but perhaps not wish to start off in the classroom. States should develop similar alternative routes to principal preparation as well.[16]

Early childhood education is another illustration of an underutilized strategy for reducing credential inflation. Requiring bachelor's degrees, or more commonly, incentivizing them through states' oversight systems, cuts off opportunity to workers in both professionalized and informal childcare settings.[17]

The Joe Biden–supported childcare reform bill that may pass as part of Democrats' multitrillion-dollar stimulus bill takes the unproven benefits of bachelor's degrees in childcare settings as a given.[18] However, these jobs are not always particularly well paying, so the bill also requires that these workers' wages be tied to the pay scales of K–12 schools to make up for the costs of education (and because it's something public employee unions would like to see). But there is a much simpler and more effectual approach. Instead, competency on topics related to pedagogy, child development, and child safety could be assessed directly, preventing both those embarking on their career and grandparents looking for a bit of extra income and social connection while in retirement from being shut out of yet one more profession.

How State Policy Can Clarify and Support Community Colleges' Mission

As states address the policies that are directly leading to credential inflation—which in turn lead to debt-fueled requirements for individuals to purchase more higher education than they would like—they should also give meaningful attention to their public higher education programs, starting with community colleges. In fact, as more credential requirements are raised, many states are permitting their community colleges to award four-year degrees to avoid worker shortages and requiring them to focus less on their own offerings and more on simply setting up students to eventually earn a four-year degree elsewhere. [19] These steps risk distracting such institutions from their core mission and further enshrine the idea that, while incumbents do these jobs quite well with lower levels of educational attainment, future workers must not be allowed the same privilege, regardless of their potential and other qualifications.

According to a 2018 study examining degrees nationwide, over 40 percent of all associate degrees were in liberal arts, general studies, and humanities. More than 80 percent of associate degree students said they ultimately planned to complete a four-year degree. However, after six years, only 9 percent of community college students had done so.[20] Many community colleges have gone as far as reaching out to students who have completed only the first two years of these "2 + 2" programs and retroactively awarding them an associate degree they never knew they earned. It is not clear that they are doing them a big favor, as graduates of two-year general studies programs earn far less than their peers who earn other types of two-year degrees.[21]

The goal of making the first two years of a four-year degree more affordable is admirable and worthy. However, the idea that community colleges need to shift their focus away from other types of programs to do this is destructive. It seems unreasonable to assume that a freshman-level English composition course must be significantly more expensive when delivered by a public, selective four-year university than by a public, nonselective two-year college.

Community colleges are essential public institutions, and states can help make them more impactful, especially if the Biden administration's "free college" agenda drives many more students their way. To start, they could ensure that students pursuing a 2 + 2 pathway receive both the benefits of a liberal arts education and a boost in the job market during their first two years.

One way to achieve this would be to require students to choose a workforce-relevant concentration for their associate degree made up of a moderate number of credits tied to an industry-recognized credential. For example, a student could earn Google's 12-credit IT certificate with 48 credits remaining to satisfy general education requirements toward either a two- or four-year degree. This low-risk, high-reward choice allows students to improve their earning potential while enrolled in community college and, if they continue their education later, decide whether they want to continue to pursue a tech-related degree or something else. States can then engage their college affordability agenda in other ways, including through radically less costly online and competency-based options.

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The University of Wisconsin has created the UW Flexible Option, and Purdue University acquired the for-profit Kaplan University (and the University of Arkansas recently made a similar move) to create such capacity in-house. Such innovative steps are admirable and worth building on; however, they are also politically challenging, as key interest groups such as faculty are often skeptical and not always speedy to implement. Fortunately, these states have demonstrated success within quite traditional institutions, and there are other steps states can take to better align affordable offerings with students' goals.

Better Accommodating the Needs of Today's Student

Not every state institution needs to purchase another university to better meet students' needs. Another approach is to reconsider the institution's value proposition and whether each set of services it provides—such as instruction, course development and delivery, student support services, and hands-on training—is completely necessary. Such change from within may prove even more difficult, but some states may see it as the only viable path. In addition, state policymakers can work to refocus public institutions on students through smart, targeted policies.

Improved credit transfer, for example, can make the first two years of college far more affordable without tearing community colleges away from other vital aspects of their mission. Course materials that could satisfy general education requirements at the vast majority of colleges can be found online at little to no cost. They are taught in ways designed to attract students with a wide spectrum of learning styles, career interests, and academic ability. More often than not, however, public institutions will not accept them for credit. Rather than enacting broad mandates that can be dodged or creating yet another blue-ribbon commission, state legislators should give more specific direction to their public institutions to rectify this problem.

For example, they could create a statewide contract between the state's institutions and a few high-quality, low-cost content providers. Students who complete those ultra-affordable courses would receive credit at any state college or university, and the institution could supplement this high-quality content delivered at scale with customized student supports. A similar model targeted at remedial courses could drastically reduce the debt that students at the cusp of college readiness often quickly accrue.

States might also set goals for or even require acceptance of credit for prior learning obtained through work and other experiences. If credits do not transfer from one public institution to another, that should be fixed, too, but state policymakers are likely to see much more value to students if they start by making room for partnerships with entities that have already gotten elements of this puzzle right.

The same principle applies to not only credit transfer but also organizational management. For-profit education's bad apples deserve a great deal of the criticism they receive. However, tax status is a poor way to evaluate a college's intentions and outcomes. In fact, there are many lessons that public institutions could learn from their private (non-profit and for-profit) counterparts.

Such programs are often responsive to workforce needs, and many are developed with real employers. Their student aid functions are also typically more efficient and easier for students to navigate. These traits are essential for colleges that must earn aid from students rather than lobby for it in statehouses. Faculty and administrators at other institutions too often stigmatize many of these career-focused colleges, especially in programs that prepare students for jobs with less pay and prestige, but they should instead be encouraged to learn from them and partner with them where it proves useful.

Another mindset shift revolves around what a college campus should look like. In our ongoing era of cheap credit, many public institutions continue to build out their physical footprint with new dorms, dining halls, and classroom spaces on sprawling campuses, even at non-flagship institutions. Many of these structures fail to accommodate today's students and may reach obsolescence even more quickly as COVID-19 accelerates the acceptance of distanced education. Some academic programs will always continue to benefit from at least a portion of their work being in person, but what constitutes a campus can evolve. Although it may upset current academic norms, many colleges have discovered that they can sometimes better meet students' needs if they site a "campus" in a manufacturing plant or shopping mall.

Ensuring That Universities Are Efficacious in Meeting Workforce Needs

Finally, states must work with universities to have candid, forward-looking conversations about which programs are necessary and which are not. This must not be a debate about liberal arts versus workforce training but should simply identify which programs effectively provide the benefits of both approaches and which provide neither. The truth is that graduates of all manner of high-quality liberal arts programs are highly sought after by employers; however, a program is not worthwhile simply because it brands itself as "liberal arts." The same is true of vocational programs.

In this area, the taskforce approach might actually be a good fit. Governors could appoint a diverse panel of experts and stakeholders to review academic programs and make recommendations necessary to reduce duplication, reverse credential inflation, and better align offerings with employer demand and other state goals. They should give strict scrutiny to graduate programs, in which debt can accumulate rapidly—especially for those who do not pay off debt after graduation.[22]

States should also review undergraduate programs with poor outcomes and programs at all levels that produce few graduates, serve merely to replace faculty in those programs, are duplicative of nearby public programs, or only serve to fulfill inflated government (or employer, accreditor, or professional association) requirements for employment. The goal should not simply be to eliminate programs, however. It's especially important for states on the wrong side of "brain drain" migration to explore why people leave and which fields of study might need more or better programs.

Although state policymakers may view these steps as necessary, few of them stand out as easy wins. One of the reasons that state-based higher education policy is often overlooked is because it is difficult. Funds seem more limited in statehouses than in Washington, and small campuses may be leading employers in legislators' districts. Nevertheless, states are also leading drivers of workforce, economic development, occupational licensing, childcare, teacher preparation, and many other policies that intersect with higher education. It is here that more focus should be placed.

Conclusion

Together, these policies can represent the beginnings of a more cohesive education reform agenda that extends beyond high school. Reformers should start with the idea that, while higher education is often extremely valuable and sought after, it becomes less so when students are forced into a single pathway for the career they hope to enter. Instead, states can develop more affordable, parallel pathways to various careers that recognize the benefits of keeping standards high while allowing students several competency-based ways to meet them. Community colleges will be a major part of this solution, but reform and refocusing are necessary, particularly if a "free college" policy tempts them into temporary complacency. State policymakers will struggle to answer these questions exactly right from the Capitol Building, but by incorporating lessons from other areas of education reform and then setting proper incentives for the state's colleges and students, they can improve student access, affordability, and most of all, outcomes.

About the Author

Michael Brickman is a national public policy leader who specializes in developing cutting-edge innovations in education reform, skills-based hiring, and the future of work. He advises companies, nonprofits, and investors on the innovations that are changing how we work and learn.

Notes

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