

PRODUCTIVITY

*A Series of Briefs Looking Back on Two Decades of
Impact & Lessons Learned
from Key Lumina Initiatives*

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Executive Summary: Productivity

PURPOSE		
To elevate states' efforts to produce many more graduates with current levels of investment while maintaining quality and equity, to discover innovative models for reducing the cost of higher education and share learning from these promising models to encourage other states and systems to prioritize the goals of Productivity.		
TIMELINE	TOTAL LUMINA INVESTMENT	KEY PARTNERS
 <p>2009 → 2016</p>	 <p>\$44M</p>	
IMPACT ON THE FIELD		LUMINA'S LESSONS LEARNED
<p>Established a Framework for Change: <i>Four Steps to Finishing First</i> advanced awareness, understanding, alignment and action related to productivity.</p> <p>Created and Sustained a Network of States: Strategy Labs enabled Lumina to support grantees with TA and peer networking opportunities; it also facilitated a broader coalition to advance productivity, including many states that were <i>not</i> grantees. Strategy Labs has evolved to advance Lumina's state policy agenda and continues today—even 10 years after the end of Productivity.</p> <p>Influenced Outcomes Based Funding: Lumina's research and convenings on OBF increased the foundation's and HCM's expertise in this area so they could better inform and influence decision makers. As a result, many more states and systems exemplify best practice research on OBF today.</p> <p>Built Capacity of HCM to Support and Influence State Policy Change: Productivity and Strategy Labs significantly bolstered HCM's capacity and solidified their reputation in the field as a credible, influential expert and a critical state policy partner.</p> <p>Solidified Lumina's Credibility with States, providing a strong foundation for future state policy work.</p> <p>Influenced Broader Support for Productivity and Quality: Lumina set the stage for other funders (e.g., BMGF) and organizations (e.g., CCA) to support productivity and quality work.</p>		<p>Lead from Behind and Be Flexible: Setting goals then stepping aside and letting partners and grantees lead was a key to success and sustainability in this work.</p> <p>Providing Political Cover is Key: Lumina learned to leverage its presence to create space for grantees to discuss and test new (often controversial) ideas.</p> <p>Focus on Leveraging Thought Leadership in Addition to Dollars: Lumina's expertise, reputation, networks and convenings turned out to be as (if not more) important than dollars; large grants overwhelmed some states.</p> <p>Leverage Metrics for Learning and Collaboration: When thoughtfully co-developed, metrics can result in greater collaboration across partner organizations.</p> <p>Carefully Design and Test Online Platforms: Online collaborative spaces must be carefully designed and launched to ensure desired outcomes.</p> <p>Prioritize Relationships and Trust Building with Grantees and Partners</p> <p>Reorient to Long-term, Systems Change Approach: Lumina came to recognize the need for a long-term strategy in states as opposed to focusing on short-term grant deliverables.</p> <p>Words Matter / Center Quality: The economic language of productivity did not resonate with many but connecting it to quality and learning made productivity goals more accessible and convincing.</p>

Introduction to this Series of Briefs

Purpose: This brief is part of a series looking back on two decades of impact and lessons learned from key Lumina-funded initiatives. The purpose of examining this set of key initiatives is to explore Lumina’s impact and reflect lessons learned that might inform how the foundation conceives of and plans for its role(s), impact, and strategies in the future.

Methodology and Limitations: By design, these briefs focus mostly on existing documents and data related to the initiatives, e.g. grant reports, evaluation and research findings, and any other key documents available in Lumina’s grant system and the web. Therefore, the briefs may lack more recent and longer-term perspectives on the broader impact and lessons learned from these initiatives. Thus, they are intended to be used as a jumping off point for conversations at Lumina focused on lessons learned from past work and implications for the next strategic plan. However, this particular brief on Productivity benefits from a higher volume of existing documents than is available for some other initiatives. These include case studies with interview data and several internal summaries of this work. Additionally, Kevin Corcoran, who led the Productivity initiative, provided insights via email.

Productivity: Overview, Impact, & Lessons Learned

Purpose and Scope

In 2009, Lumina formally launched the Productivity initiative which was intended to help states build on their efforts to develop less costly ways of delivering high-quality undergraduate education while maintaining high quality and equity. Lumina awarded four-year grants totaling \$9 million to seven states including: Arizona, Indiana, Maryland, Montana, Ohio, Tennessee, and Texas. The foundation partnered with several key organizations to support the productivity work, including technical assistance partners, HCM Strategists and Public Agenda; and evaluator, SPEC Associates.

Rationale

Lumina Foundation’s interest in higher education productivity evolved from what initially had been a focus on college affordability for students and families. In 2004, Lumina issued a challenge to researchers and thinkers in the field to propose solutions to the “crisis” of the rising cost of higher education coupled with public disinvestment trends. In 2005, Lumina held the “College Costs: Making Opportunity Affordable Summit,” a national convening in Washington, D.C. to discuss several of the papers submitted in response to the challenge. In conversations with grantees and partner organizations that followed, the Foundation began to draw a distinction between the price of college to consumers and the accelerating costs of doing business in higher education. Lumina concluded that price could not be mitigated without addressing actual costs.

In 2006, Lumina committed \$25 million over five years to the *Making Opportunity Affordable* (MOA) initiative to support the development of tools and resources to help states and institutions increase

higher education efficiency, effectiveness and productivity. When Jamie Merisotis joined Lumina in early 2008, the focus of the initiative was further honed to focus on higher education productivity, i.e., *how to produce many more graduates with the level of resources the nation was already investing in higher education while maintaining high quality*. The Foundation chose this course because it believed that philanthropy could play a unique role in organizing the field around improving productivity, and influencing policy related to college and university spending and resource-allocation. Additionally, the Great Recession of 2008 added to the sense of urgency for higher education to do more with fewer resources (Williams, 1).

Vision and Approach

The Productivity initiative was intended to test new models, generate and elevate useful lessons for the cohort of grantees and the field more broadly, and to raise awareness and understanding about productivity among key leaders and policy makers in higher education. Lumina's approach to productivity started with grantmaking, but led to Lumina serving in other roles that were arguably even more impactful than grantmaking, such as developing a framework for productivity and exercising thought leadership through Strategy Labs to influence state policy change at scale.

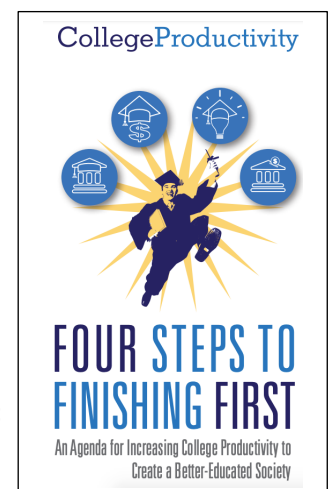
Productivity Grants

In 2008, Lumina dropped the *Making Opportunity Affordable* name, restructured the initiative to focus on college productivity, and brought the management of the work into the Foundation. Lumina continued to fund a core team of collaborators and thought partners, including HCM Strategists and Public Agenda, who helped to manage the initiative. In late 2008, Lumina gave one-year planning grants to 11 states to develop plans to improve higher education productivity. These 11 states also had technical assistance and support to develop project plans. Lumina decided to award multi-year implementation grants (2009-13) to seven of the eleven states that seemed most likely to scale within their states or systems and/or could serve as examples for other states or systems (Williams, 1).

Four Steps to Finishing First Framework

To guide the states and to encourage them to stretch beyond their initial goals, Lumina and HCM iteratively framed a national productivity agenda entitled *Four Steps to Finishing First: An Agenda for Increasing College Productivity to Create a Better-Educated Society*. The Four Steps were:

1. Performance Funding – targeted incentives for colleges and universities to graduate more students with quality degrees and credentials;
2. Student Incentives – the strategic use of tuition and financial aid to incentivize course and program completion;
3. New Models – high-quality, lower-cost approaches substituted for traditional academic delivery whenever possible to increase capacity for serving students;
4. Business Efficiencies – business practices that produce savings to graduate more students.



Strategy Labs

Within a year of awarding the Productivity grants, a sizeable demand surfaced from non-grantee states for tools and guidance concerning productivity. To address this need, HCM worked with Lumina to create Strategy Labs, an open platform for leaders and influencers in all 50 states to share research and data, encourage peer learning and receive consulting support from Lumina Foundation and its state policy partners. Strategy Labs was intended not only to enhance the work of the seven implementation grantee states, but also to re-engage the four states that applied but were not funded, and, more broadly, to attract the attention of other states and interest them in the Four Steps. The Strategy Lab approach proved to be a sought after, low-cost, low-risk avenue for states to pursue areas of specific interest. Still today, 13 years later, Lumina continues to support Strategy Labs in partnership with HCM, to support and influence state policy change to advance higher education attainment and equity.

Impact on the Field

Overall, Lumina's Productivity work influenced a national movement to increase higher education productivity that increased awareness of, alignment with and adoption of state-, system- and institution-level policies and practices consistent with the Four Steps to Productivity. Key examples of impact are detailed below.

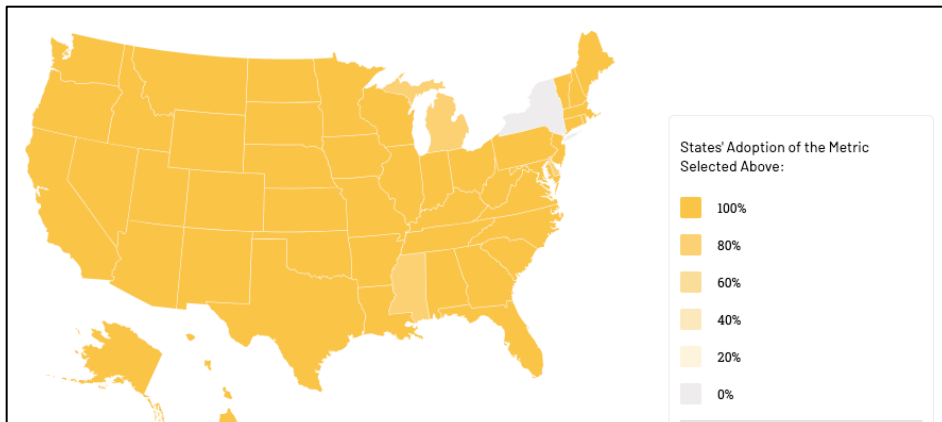
- **Established a Framework for Change:** One of Lumina's greatest thought leadership contributions during productivity was curating the best thinking among states and packaging this information in an accessible format that could be used to mobilize action. *The Four Steps to Finishing First* served to stimulate and inform national- and state-level conversations about productivity, thus increasing awareness about and alignment with the initiative. Even the Obama administration was influenced by Lumina's 4 steps and the various related concepts that were elevated by the trade press, such as campus and program mergers, unbundling, and competency-based education. Additionally, SPEC observed:

"Some advisors and state teams noted that one of the biggest ways Lumina can help them is by stimulating and sustaining a national conversation about higher education productivity. This conversation, in turn, will percolate within states. National media can be used to help educate local legislators about what a particular state is doing through OGP and can provide an opportunity for states to feel part of a national movement. According to one advisor, national media attention can even help the states that are not funded."

Over time, the First Steps and work within the productivity states evolved into Lumina's first state policy agenda, released in 2013, which framed key policy areas and related actions that could be implemented to advance equitable student success in states. Lumina's state policy agenda has seen various iterations over the past decade, but the function of the framework to organize and drive state policy change, and the role of Lumina in establishing and organizing around this framework continue to be fundamental to state policy work. One of the longstanding foundations of Lumina's State Policy Agenda is the criteria for setting state

attainment goals. As can be seen in the graph below, from Lumina’s Strategy Labs website, attainment goals in 47 states met 100% of Lumina’s criteria as of March 2020.

State Attainment Goals as of 2020 (from [Lumina’s Strategy Labs Website](#))



- **Established and Sustained the Strategy Labs Network:** Strategy Labs enabled Lumina to build a broader coalition around productivity, including many states that were not grantees. Kristin Hultquist, CEO of HCM Strategists, emphasized that: *“Strategy Labs network builds will, conviction, commitment, and adoption...it helps people figure out how to change without a lot of money.”* Kevin Corcoran explained that Lumina’s framework, coupled with the Strategy Labs Network was influential even in the absence of funding: *“Other states wanted to be associated with us because they saw us on the cutting edge and able to see what’s next.”* By the end of the grant period, many more states beyond the 7 grantees joined Strategy Labs and implemented at least one of *The Four Steps*. States benefitted from the opportunities afforded by Strategy Labs to learn from each other—both in person and virtually. John Cech, who was Deputy Commissioner of Higher Education for the Montana University System during the Productivity grant, said Strategy Labs was useful to Montana in particular because it *“elevated talent from other systems so we could learn from their work”* (Porter, 14).

Strategy Labs’ support evolved to focus on helping states to consider and adopt any part of Lumina’s state policy agenda, which is work that still continues today—even 10 years after the end of Productivity. The network has evolved to meet the needs of many more states, including a focus on attainment goal setting. Now 47 states have set attainment goals meeting all of Lumina’s criteria. Lumina’s vision for sustaining the network and allowing it to evolve over time have been keys to success as it leveraged the momentum of productivity to advance a broader state policy agenda.

- **Influenced Outcomes Based Funding:** In addition to influencing conversations, the 4 Steps framework provided concrete steps for *how* to achieve productivity. Hultquist pointed to Lumina’s influence on the development of outcomes-based funding (OBF) as a key example of thought leadership, saying: *“Before Lumina, Outcomes Based Funding (OBF) was just poorly designed Performance Based Funding (PBF).”* This is one example of how the four steps gave people more accessible ways to talk about and enact productivity. Furthermore, Hultquist said

Lumina's research and convenings on OBF increased the foundation's and HCM's expertise in this area so they could better counsel committees and CEOs in states. Without the added capacity from Lumina to understand OBF, she said "we'd only be talking about generalities and means." Now many more states and systems look like the best research as a result of support from Lumina and other funders (Porter, 13).

Earlier this year, HCM reported that 16 states in the nation "use student success, outcomes-driven funding formulas to allocate a significant portion of public dollars to institutions. Nine of these 16 states 'beat the national average' in attainment gains since 2009, according to HCM analysis of the most recent Stronger Nation data. Indiana, notably the state with the longest-sustained outcomes-based funding formula (and a frequent user of HCM's expertise provided through Strategy Labs) had the largest attainment gain increase of any of these 16 states (21 percentage points)" (HCM, 2).

- **Built Capacity of HCM to Support and Influence State Policy Change:** Also critical to Lumina's reputation are the partners with whom the foundation associates—and furthermore, *how* the foundation associates with and represents their partners in relation to the work. Interviewees affirmed that Lumina promoted their partners as an extension of their work, treating them as teammates and elevating their thought leadership. Furthermore, in the case of Strategy Labs, the foundation has invested in relationship- and trust-building over a long period of time, which has also bolstered the credibility of the foundation and its key partner, HCM. According to Hultquist, state leaders trust and value HCM to the point of inviting staff into their homes, all thanks to the long-term relationship- and trust-building made possible by Lumina (Porter, 16). Today, HCM remains an influential voice in the field and a critical partner for Lumina and other foundations, as well as for state policymakers and other higher education leaders.
- **Established Trust and Credibility with States:** According to Hultquist, "*The bread and butter of what makes things work is people who trust each other.*" Many interviewees emphasized that Lumina is seen as credible and trustworthy in the field because they approach complex issues with humility and point to data and evidence as the authority rather than their own expertise (Porter, 15). Establishing this credibility with states helped lay the foundation for success in Lumina's following iterations of state policy work.
- **Influenced Other Funders and Organizations to Support Productivity:** Lumina set the stage for other philanthropies to support productivity and think about change at the state- and federal levels. Specifically, Lumina influenced the Bill and Melinda Gates Foundation (BMGF) to incorporate college productivity among its strategies for increasing attainment and to invest in various projects focused on innovative delivery models. Hultquist noted that BMGF followed *The Four Steps* when they developed their completion agenda. She said that no other philanthropy was focused on influencing change at the state or federal levels before Lumina's investment in productivity. Hultquist also noted that other advocacy organizations were influenced by Lumina's approach to productivity. For instance, she said Complete College America (CCA) "sits

on the foundation of productivity,” as it “takes one solution and drills down deep on *how*” (Porter, 4).

Additionally, Productivity elevated successes in grantees states, enabling them to get additional funding and support. Montana stands out as a state where productivity generated an exceptional amount of success. Through productivity, Montana rebranded what it meant to go to a community college, unifying the system around a common mission and renaming the colleges to make them more consistent and recognizable to the public. Cech said “This took away the “less than” stigma” so the colleges could grow and diversity programming. Shortly after Productivity ended, Montana became a CCA game-changer state and received a \$45M TAACCCT grant and a smaller grant from BMGF that helped them to go further with productivity. According to Cech, all of the subsequent funding and attention Montana received was due to the progress made during productivity. It is worth noting that Montana also received international attention for its productivity work. Cech and a team of faculty were invited to participate in international research symposium at Oxford three years in a row about Montana’s implementation of corequisite design and math pathways—two initiatives he said stemmed from the productivity grant (Porter, 14).

Challenges and Barriers

- **Productivity Language:** Substantial confusion existed regarding the economic meanings assigned to the terms productivity, efficiency, and effectiveness. Because of a wide range of connotations, the term “productivity” proved problematic. The term provoked negative reactions from some higher education stakeholders, particularly faculty, who viewed it as an assault on their autonomy and a back-handed request to do more with less. “Attainment” and “completion,” on the other hand, resonated more positively with all stakeholders.
- **Measuring productivity:** Measuring productivity was a significant challenge throughout the initiative and remains so. In the absence of credible measures, the *Four Steps* agenda represented a form of “productivity by example” and a means of organizing Lumina-supported outreach. A shortcoming of the agenda was the emergent nature of each focus area—performance funding, student incentives, new models, business efficiencies—and the lack of available data for making a “business case” in the various contexts in which the agenda was applied, sometimes resulting in equal weighting of the areas. Lumina explored a productivity metric for higher education developed by the National Academies of Science, but this was also very difficult to understand and translate to key audiences and many aspects were controversial so there was not sufficient buy-in to scale the use of this metric (Williams 9).
- **Administrative Burden:** Managing large grants was not a core competency for some of the states or higher education systems that received large grants from Lumina, and this was a distraction or a hindrance for some states.

- **Faculty Engagement:** Economic language (productivity, efficiency, effectiveness) was a turn off for many faculty who viewed it as an “assault on their autonomy and a backhanded request to do more with less.” However, faculty were more open to productivity when it was approached as a means to other ends like student success, attainment, and completion (Williams 7).
- **Balancing Priorities of Learning and Results:** The state grants began as experiments—the lessons were as important as the results. But early successes and the urgency of the Big Goal led Lumina to place greater emphasis on whether projects can be taken to scale or replicated. The simultaneous pursuit of learning and results presented challenges to monitoring and managing the overall effort (College Productivity Memo, 6).

Lumina’s Lessons Learned

- **Lead from Behind and Be Flexible:** Lumina carefully selected the grantees and the thought partners involved in the network but was hands-off in terms of allowing the grantees and partners to shape Strategy Labs and their own initiatives. According to Corcoran, *“Success is when it doesn’t require us.”* He explained that stepping aside and letting others lead was a key to success in this work, as it allowed grantees to take ownership of the effort and to not feel as though Lumina’s agenda was imposed on them (Porter, 13). Additionally, states appreciated the Foundation’s flexible, nimble approach, avoidance of one-size-fits-all approaches and solutions, and attention to political contexts (Williams 5).
- **Providing Political Cover is Key:** Productivity grantees and stakeholders emphasized the importance of the political cover Lumina provided and the intentional measures the foundation took to provide that cover, which went far beyond funding. For instance, Jamie Merisotis visited grantees in order to deliver difficult messages that the grantees were not poised to deliver themselves. Lumina’s involvement—and often their physical presence in the room—created a level playing field so that difficult conversations could take place. Many states experimented with new kinds of practices that were controversial or unpopular at the time simply because they had the backing of Lumina and the productivity grant. For instance, Hwalek noted that performance funding was especially controversial and most states would not have taken it up without Lumina’s backing (Porter, 15).
- **Focus on Leveraging Thought Leadership in Addition to Dollars:** It was the thought leadership-related assets—Lumina’s expertise, reputation, and networks—that turned out to be most valuable and impactful for grantees. In fact, a key lesson learned from the productivity work that large grants could impede grantees’ progress. Most of the grantee states experienced the administrative function of the grants as a burden, which often detracted from their ability to focus on the work. Many had to seek no-cost extensions in order to buy them more time to spend the funds. While the dollars certainly did fuel the uptake and adoption of *The Five Steps*, it is likely that smaller grants would have had the same effect (Porter, 16).
- **Convenings are Critical:** Lumina provided valuable opportunities for leaders to meet face-face, brainstorm, and learn from each other. The national convenings gave state leaders rare

opportunities to learn from other states and to communicate with others from their own states. State representatives indicated at the Capstone Convening that when they brought ideas home after networking and learning from other states, the ideas got more attention. Capstone participants also stressed that the convenings created change agents who played instrumental roles in their states' policy successes. John Cech, who led Montana's productivity grant, said he developed life-long connections at convenings: "Even after the grant was over...I'd call my counterparts at other systems I met in productivity. Even now, as a college president, I still pick up the phone and call those connections."

In addition to the national convenings Lumina hosted, productivity grants allowed states a rare opportunity to host their own convenings and meetings. According to Cech, Lumina "gave us freedom to bring people together to have crucial conversations related to student success and completion." He added that the state system is spread over such a large land mass that these kinds of meetings would have been impossible without funding. Due to the in-person meetings and relationships developed therein, Cech said Montana developed "a culture of working together," which he said has been fundamental to their success (Porter, 15).

- **Leverage Metrics for Learning and Collaboration:** The use of internal metrics oriented around the *Four Steps* productivity agenda provided Lumina with a rational basis for managing investments of time, money, and other resources after the initial implementation grants were awarded. Lumina's metrics were effective because key grantee organizations bought into them, adapted them to their contexts, and applied them in their own management of the work, resulting in greater collaboration across partner organizations. (Williams 3-4).
- **Carefully Design and Test Online Platforms:** Online collaborative spaces must be carefully designed and launched to ensure desired outcomes; it's extremely difficult to recover from a failed launch, as the initiative's initial electronic network illustrated. State team members viewed it primarily as a website rather than a place for collaboration and information sharing. They also found it difficult to navigate and cumbersome to use, experienced trouble locating information, and ultimately concluded it was a place that did not truly reflect how they wanted to work, interact with or support one another (Williams 7).
- **Prioritize Relationships and Trust Building with Grantees and Partners:** Strategy Labs staff found that relationship and trust building were keys to success in working with states and grantee organizations. Trusting relationships with grantees were foundational elements that had to be in place in order for data, metrics, clear goals and expectations, evaluation, and models to be valued (Williams 5). Additionally, Lumina prioritized trust building between grantees and support partners, such as HCM and State Advisors.
 - **Intermediaries:** Lumina positioned HCM as a credible and trustworthy intermediary and it didn't take long for the grantees and other states to trust HCM and seek their counsel. The intermediary role became a core part of Lumina's approach to Strategy Labs and

other state policy work and Lumina helped HCM build their capacity to sustain a long-term leadership role in this work.

- **State Advisors:** Having state advisors on the ground within states to help gauge effectiveness and provide real-time advice and counsel regarding the best use of Foundation resources added substantial value to the work. States valued the expertise, support and guidance of their state advisors. Lumina gained important data, information and stories that could be used to inform internal staff, the board and to build the narrative of state policy action and impact (Williams, 6).
- **Reorient to Long-term, Systems Change Approach:** After awarding state grants, Lumina came to recognize the value of framing a clear agenda and working with states to change attitudes and behaviors to promote long term change as opposed to focusing on short-term grant deliverables. Lumina made a concerted effort to shift states away from a grant compliance mentality, or rigid focus on deliverables, and toward taking a longer, more holistic view of changes needed to graduate more students with available resources (Williams 9).
- **Words Matter:** As noted earlier, the economic language of productivity did not resonate with some key stakeholder groups. According to Corcoran, Lumina had the right ideas, but used the wrong words in Productivity. Gradually Lumina was able to find more accessible and palatable ways to articulate the goals of productivity, and to integrate the productivity work into the larger effort of reforming the higher education system to produce high quality learning outcomes for more students.
- **Integrate Productivity and Quality:** Lumina found that productivity and quality were mutually reinforcing and each concept helped Lumina better define and act on the other. Corcoran explained: “Quality is at the core of productivity; you cannot achieve real productivity gains if you are cutting corners. But quality also must be better defined...We believe defining—and measuring—quality in terms of student learning will be important to advancing productivity issues” (Corcoran, 7). Efforts to integrate productivity and quality and related discussions with faculty and other key stakeholders informed and influenced Lumina’s next steps with quality-focused work such as the DQP and Tuning, and later, Competency-Based Education and other work focused on rethinking the credit hour and awarding credit for all learning.

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