

Jason Altmire ([00:04](#)):

Welcome to another edition of Career Education Report, I'm Jason Altmire. And this is about our 40th episode. We've been doing this a little more than a year-and-a-half now, and I can honestly say in traveling around, the podcast is gaining momentum and we're hearing more suggestions on topics to cover.

([00:25](#)):

I can honestly say I have not heard a suggested topic referenced more often, and have people ask for an episode more frequently, than the one we are about to have. We're going to talk about community colleges and accountability measures. This is a subject that comes up wherever we go, and we have the perfect guest to have this discussion.

([00:48](#)):

It's somebody that is very widely known, quoted extensively, has published through the years on this issue, Martha Snyder. She's at HCM Strategists, which is a very prominent education consulting firm. And she's served several of the firm's largest clients, including foundation state systems of higher education, university and college system.

([01:14](#)):

She leads a very broad portfolio based on post-secondary transformation, and she's worked with state leaders including state legislators and higher education policy officials. She's facilitated discussions among legislators who are considering different options with regard to accountability and other issues in higher education.

([01:37](#)):

And before her tenure at HCM, Martha was a senior policy advisor at the US Department of Education. And before that, she was associate director at the White House Domestic Policy Council, where she developed budget priorities and provided analysis on every type of federal education issue.

([01:55](#)):

So I can think of no one better to have this discussion than Martha. So thank you so much for being with us. Martha,

Martha Snyder ([02:02](#)):

Thank you so much for having me, Jason. It's an honor to be a part of this discussion. I think, as you said, community college accountability is front and center in the topics facing higher education today. I think front and center of policy maker's minds. And certainly not a simple conversation to have or a simple solution, but very much look forward to the discussion today.

Jason Altmire ([02:23](#)):

And just so our listeners know your background, I referenced that you worked at the Department of Education and the White House. What were the presidents when you were working in those roles?

Martha Snyder (02:34):

I worked under George W. Bush in both of those roles, so both at the White House and at the Department of Education. At the Department of Education I served for Secretary Margaret Spellings.

Jason Altmire (02:44):

I did want to start at exactly what you were referencing. Community colleges, they're heavily subsidized by state legislatures. Traditionally it's, I think, limited accountability it's fair to say, in years past. Fairly open-ended funding within budget constraints at state legislatures.

(03:03):

And I just wanted to start by asking, when did states first start to take a serious look at tying funding to student outcomes?

Martha Snyder (03:11):

So I actually think it is important context, though community colleges do get a fairly significant portion of their funding from the state. We certainly have seen that ebb and flow over time, and I certainly think that plays into the accountability role, and certainly some of the discussions we're having today.

(03:29):

But as it relates to accountability within how states are funding community colleges, really the first of it goes all the way back to 1979 with Tennessee. But those policies have evolved over time. And really in 2010, I would say, is when states really started to adopt more recent versions of outcomes-based funding or accountability-centered funding. Tennessee was actually the first to dip its toe in those more evolved funding models. Indiana and Ohio or two others that have done more robust funding tied to student outcomes.

(04:05):

And since then, I would say we've seen revisions to those policies, refinements to those policies. Trying to certainly hold institutions accountable, and help fund institutions for the types of outcomes that the state needs. But also recognize the types of students that community colleges are most likely to serve, and perhaps the additional supports that those students need to achieve success.

(04:29):

So community colleges serve very high portions of lower-income students, high portions of non-traditional age students or adult students, as well as high portions of part-time students. Each of those conditions kind of has an implication for the student's success. And so I think that has been an important evolution of the conversations, and even the funding policies that we've seen, really since those first outcomes-based funding policies in 2010.

Jason Altmire (04:54):

And I think what's most interesting to me, as I read on this issue is, that it's viewed as a conservative issue. But it's gone more mainstream in recent years. Texas is often pointed to as a leader, but even states like California, Oregon, Washington, they're moving in the direction of at least some level of accountability with regard to their funding for community colleges. Why do you think the idea of tying funding to outcomes has gained so much momentum recently?

Martha Snyder ([05:24](#)):

I do think maybe in some contexts it's considered more of a conservative policy issue. But I do think to your point, we've seen states of all partisan varieties adopt or at least pursue outcomes-based funding policies.

([05:39](#)):

I think it's gained traction in-part because higher education, and ensuring that what the state is investing in, as somewhere around a 40 to 50% investor, particularly in community colleges, ensuring that those investments are aligned to the types of outcomes that the state needs to fill workforce jobs and to fill workforce needs. I think that's kind of a universal outcome, or a universal objective, for state policymakers. Ensuring that the dollars that they're spending are going to serve the objectives and needs of the state.

([06:14](#)):

And so I think that's kind of why we're seeing it embraced more broadly across policymakers. And you referenced California, Oregon, Washington. Recently, Texas, yes, has adopted it. But I think that the kind of primary objective is really for policymakers to understand that if we are going to invest these dollars, want to do so in a way that reflects the needs of the state and particularly the workforce needs of the state.

Jason Altmire ([06:41](#)):

On that point, exactly, of the objective of what legislatures are trying to achieve, you're one of the first people that legislatures often call. Because presumably they're starting either from scratch, or they're ramping up and they're looking for advice on options and what's been tried before. And as you know better than anybody, politicians often use more of a strings-attached approach to public funding so they can achieve policy goals. And they sometimes want to force recipients to conform to their agenda in order to qualify for the funding.

([07:16](#)):

Have you seen this being the case generally as it relates to community colleges? And if so, what is the public policy goal that states are trying to achieve?

Martha Snyder ([07:26](#)):

I think the public policy goal states are trying to achieve, particularly as it relates to community colleges, I think is twofold. One, I think it's trying to expand or expand access for enrollment to ensure that community colleges maintain their core mission, which are open access institutions and serving students of all varieties. So I think that does remain a priority for policymakers.

[\(07:55\)](#):

But on the backend, the policy objective, I think, is to ensure that the degrees and the credentials that are being provided to students are aligned in some way to workforce needs, so that individuals are gaining the skills that are needed in the workforce. And I think that's an area where we've really made a lot of progress. And particularly you're seeing it play out in states like Texas, where there's a direct connection between the types of degrees that are prioritized in that funding model and taking efforts to ensure that they're aligned to the workforce needs statewide. But also on a regional basis.

[\(08:33\)](#):

So I think it's kind of the twofold of ensuring that there's value for the student in terms of what they're accessing, as well as value for the state and the economy in terms of the types of degrees that community colleges are offering, and the supports and direction that they're providing to their students.

Jason Altmire [\(08:53\)](#):

Would you say that there are some states that have done it better than others? When you're asked by the media or even a state legislature that might be considering reform, where you think it's worked best, how would you answer?

Martha Snyder [\(09:08\)](#):

I'll do a little bit of a history lesson here. I'll keep it brief, though. I referenced this in earlier remarks. As with any policy, we learn from what's been implemented and put in place before, and good policy evolves. And so if you were to ask me this question back in 2010, 2013, I would've very clearly pointed to Tennessee and Ohio. Which really, again, we're the first to kind of take this more advanced form of outcomes-based funding, really connecting state dollars to certain degree and other outcomes, as well as reflecting the needs of different students for supports.

[\(09:47\)](#):

Today I would point to states like Oregon and Texas in terms of evolving from those earlier, outcomes-based funding policies. Because they have some, I think, important features built within them. One is recognizing that for institutions to actually produce the outcomes that are desired, they actually do need some kind of fundamental capacity, and kind of a base level of funding or an adequate level of funding just to be able to provide services to students.

[\(10:16\)](#):

The funding models that we're seeing developed in Oregon and Texas have that built within it. So they ensure that each institution, each college in the state, has some kind of base level of funding that allows them to offer the services that are needed for students.

[\(10:33\)](#):

In addition to that, they build in the outcomes, so they build in funding for outcomes. And the funding for those outcomes aren't just kind of treating all credentials equally. They are reflecting more nuanced

assessment of value and the varying value of different credentials. And so I would point to Texas and Oregon. California has some similar features in its community college funding model as well, but those would be the states that I would point to now. They've taken what Tennessee and Ohio and Indiana started off, about 2010, have learned from that and have evolved to this next phase of outcomes-based funding.

Jason Altmire ([11:11](#)):

You've mentioned Oregon a few times, and I wanted to take a look specifically at what they've done. They seem to be a very popular state for folks to talk about and point to with regard to these types of reforms.

([11:25](#)):

And the formula At Oregon, they base up to 10%, only 10% of state funding for community colleges on measures including the number of underserved students enrolled, including low-income students, adult learners, students of color, students in career and technical education programs. That chunk of funding can also be based on outcomes such as the number of students who earned at least 30 credits, or who earned credit in english, writing, or math, and who completed a credit or a non-credit credential.

([11:58](#)):

So that's a very long list of things, but the colleges will get even more funding when students in underserved categories hit these milestones. And I think what strikes me in looking at that is a lot of that is more about the type of student that you're serving, rather than the actual output. How those students are doing, and whether they're getting jobs in their chosen field of study after graduation.

([12:26](#)):

And I think when a lot of people think about outcomes, they're thinking about what are the students' results? And it appears, based upon what I read, two things jump out. One is, 10% is not a lot of money to leverage reform and incentivize schools to go in this direction. But I did want your opinion on the idea of focusing so intently on the type of student that's being served rather than the outcome of all of the students.

Martha Snyder ([12:57](#)):

That is actually, to me, a very important part of any sort of funding policy. Particularly a funding policy that is focused on outcomes. We know from data and from history that students that come from lower income backgrounds, adult students, part-time students, actually require more supports to achieve similar success from students that don't come from those, don't have those indicators. So students who are able to enroll full-time, students who don't come from low income backgrounds, and students who are more of traditional age that are able to transition directly from high school into college.

([13:35](#)):

And so that reflection is intended to make sure that institutions don't respond to these incentives by limiting access to those students. Which, as you would probably understand, are increasingly making up state populations in states like Oregon and Texas. We see more and more students coming from low-

income backgrounds having to enroll part-time, and older adults returning or starting off their college career at an older age.

[\(14:03\)](#):

So that's really the intention of those policies, is to make sure that there isn't an unintended consequence or an unintended incentive to limit access to only higher-achieving students or students that come from more economically-privileged backgrounds. So that's one piece of it.

[\(14:19\)](#):

On the kind of outputs piece or the outcomes piece, you referenced whether or not students are actually getting jobs and earning higher wages. That is, to me, will be the next evolution of outcomes-based funding. There's been significant talk about it. It is limited by our ability to connect data, by our ability to actually measure that in any kind of real meaningful way.

[\(14:44\)](#):

States are making progress in that. Yes, I referenced Oregon frequently. Texas to me is the state that will probably be the first to break through on that. And really connecting not just the types of degrees, but building in, are these students also kind of receiving that return on investment? And is the state receiving that return on investment in terms of being employed, gaining higher wages, et cetera?

[\(15:08\)](#):

That's kind of my twofold answer. I actually think that reflection of different student backgrounds is critical to these types of policies. And then I think the evolution of the data, and where this policy is going to go to be more connected to individuals actually getting jobs, individuals actually earning higher wages, as our data systems evolve and our ability to analyze data evolves. I think that will be what you see next in terms of the evolution of these policies.

Jason Altmire [\(15:33\)](#):

And I think those are both critical points, and what you talked about with Oregon is very clarifying. Because the way that I had initially read it, it appeared that they were trying to use funding to achieve demographic benchmarks rather than strictly improve student outcomes. But what you have said is they're focusing on outcomes, but they're trying to do so in a way that the school can't just cherry-pick the best students, or the people that have the greatest likelihood of success, based upon things like demographic factors to meet the funding threshold. Because you would then be penalizing the very people that community colleges are designed to help. Is that an accurate description?

Martha Snyder [\(16:16\)](#):

Great way of saying it. And I think some of ... Again, the evolution of our policy, if we were to go back to those very early 1970s, 1980s, more performance-based funding models, the research into that very much showed institutions responding in that way. Because it was looking at improving graduation rates, improving certain types of outcomes, and had no regard for the types of students that might need additional supports. And you did see institutions respond by raising their admission standards, et cetera.

[\(16:48\)](#):

And so this is intended to kind of counteract that. And to reflect the reality that, yes, these students actually require some more either academic support or financial support to be successful. And with that comes increased costs for the institutions. So let's make sure we're factoring that into the outcomes and the way we're trying to achieve these outcomes.

Jason Altmire [\(17:08\)](#):

How have community colleges reacted to this new interest in funding accountability? Have they generally been supportive of the idea, or have they been resistant?

Martha Snyder [\(17:17\)](#):

I would say it is a varied response. We see both ends of the spectrum. I would say that where you have institutions and colleges that have reform-oriented leadership, the leadership actually welcomes these policies, because they see it aligned to their overarching objective of ensuring student success. And it actually aligns with the types of reforms they're trying to advance on campus. And so it becomes a tool to advance those reforms.

[\(17:45\)](#):

Certainly there are stakeholders, leaders, and others that are resistant to it, that feel like it isn't the way that states should be funding them. But you see kind of both responses. That's to be expected, I suppose.

[\(18:00\)](#):

But where there is strong institutional leadership, reform-oriented leadership, leaders that do want to ensure they're driving students into programs that have value, that they're ensuring student success for all students that they allow or that they serve on campus, low-income adult, academically under-prepared, you see those leaders embracing it. And again, using it as a tool to further enhance the reforms that they were trying to drive on campus.

Jason Altmire [\(18:28\)](#):

We at Career Education Colleges and Universities of course, are a national association. And I think the logical extension of the conversation, and to kind of bring things to a wrap is, well, what is the federal role in all of this? And do you think that it would be a good idea for the federal government to ask community colleges to demonstrate some level of student outcome success? And should Title IV eligibility be tied to these measures in the same way that states are now looking at tying state subsidies to community college outcomes?

Martha Snyder [\(19:03\)](#):

The federal role, I think, is a little bit more, particularly when it comes to community colleges, a little bit more indirect. Certainly, I think there are things that can happen at the federal level in terms of transparency. The accountability piece, in terms of Title Four, certainly I think it could be part of the conversation.

[\(19:22\)](#):

But I would want to ensure that the measures that are being used are not your traditional IPEDs measures, which are first time, full-time students. I think that is one of the things where the states are much further ahead of the federal government, is being able to have much more nuanced measures that actually reflect the whole of who community colleges serve. Whereas much of the federal data is based on your first time, full-time student.

[\(19:46\)](#):

And so as long as the federal government is able to advance how it is measuring outcomes, or how it is measuring student performance, certainly I think there is a role to play. But right now, I don't think it would be appropriate given kind of the traditional measures that the federal government has.

Jason Altmire [\(20:04\)](#):

Our guest has been Martha Snyder. She is the managing director of Post-Secondary Education Transformation at HCM Strategists. Martha, if somebody wanted to learn more about your work or get in touch with you, how would they do so?

Martha Snyder [\(20:19\)](#):

Absolutely. So you can go to [hcmstrategists.com](http://hcmstrategists.com), would be the easiest way. Rather than me articulating my rather lengthy email. If you go to [hcmstrategists.com](http://hcmstrategists.com) you can find all of the types of work that we do, certainly on post-secondary finance, but other policy areas as well. And from there, you can navigate to my page or the page of my colleagues.

Jason Altmire [\(20:42\)](#):

Martha Snyder, thank you for being with us.

Martha Snyder [\(20:44\)](#):

Thank you so much.

Jason Altmire [\(20:50\)](#):

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[\(21:00\)](#):

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Speaker 3 [\(21:00\)](#):