

SREB

Creating College Opportunity for All:

*Prepared Students and
Affordable Colleges*

2005

Southern
Regional
Education
Board

592 10th St. N.W.
Atlanta, GA 30318
(404) 875-9211
www.sreb.org

CHALLENGE TO LEAD SERIES

This report was developed by Joan Lord, director of educational policies, and Joe Marks, director of education data services, with assistance from Joseph Creech, SREB special consultant.

It is part of the *Challenge to Lead* education goals series, directed by Joan Lord. For more information, e-mail joan.lord@sreb.org. *Goals for Education: Challenge to Lead* is available on the SREB Web site at www.sreb.org. A full listing of goals, with the indicators for the goal on postsecondary certificates and degrees, is printed on the inside back cover.

A Message from the President of SREB

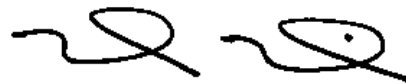
“**N**o single factor will determine the future quality of life for all residents in your state more than whether enough adults earn college degrees and technical certificates.” This opening sentence in our report on college opportunity, one of SREB’s *Challenge to Lead* Goals for Education, reflects an important new reality:

If students from minority and low-income families don’t graduate in larger numbers from high school and college, we will face a situation that America has never experienced before. The new generation will actually be less educated than today’s — and less prepared to contribute to an economy that by 2020 will depend even more on education.

We are not suggesting that this future is inevitable, but it clearly is where current trends are pointing. In the nation and in all SREB states, a fast-growing proportion of students are black or Hispanic. But an unacceptably small percentage of these students now graduates from high school and two-year or four-year colleges. We simply cannot fail to prepare all groups to succeed.

SREB’s *Challenge to Lead* goals call on states to ensure that many more youth — particularly from minority groups and from families in the lower half of incomes — prepare for, enroll in and graduate from college. A key factor in making this happen is ensuring that college is affordable for these students. Yet, it is currently not affordable for many of the very youth we need to enroll.

This report, *Creating College Opportunity for All: Prepared Students and Affordable Colleges*, helps us think about improving rates of success in schools and colleges for all groups, and what steps could make attending college a possibility for more young people. It takes a fresh look at college affordability from the perspectives of both students and parents. It helps us see that students from low-income families cannot afford college without state-funded financial assistance. And it suggests ways that you and your state can increase the number of adults who will be successful and productive citizens in the future.



Mark Musick
President

Creating College Opportunity for All: *Prepared Students and Affordable Colleges*

The percentage of adults who earn either postsecondary degrees or technical certificates exceeds national averages.

Challenge to Lead

Is your state making progress toward this vital goal?

No single factor will determine the future quality of life for all residents in your state more than whether enough adults earn college degrees and technical certificates. Gone is the dominance of agriculture and manufacturing in most SREB states. Our states now must compete in a *knowledge economy*, but we are behind in adapting to this fundamental change. The reality is that we will not have enough adults with the necessary education for economic success unless we prepare more students for college and **unless colleges are affordable for all students.**

We need for more students from **all groups** to complete a college education. Today the rates at which **black**, Hispanic and low-income students earn degrees and certificates are **significantly lower** than other groups' rates. We can do better at attracting minority youth and adults, as well as youth from low-income families, to college classrooms in the future, and we must. If we do not, *we cannot reach our goals.*

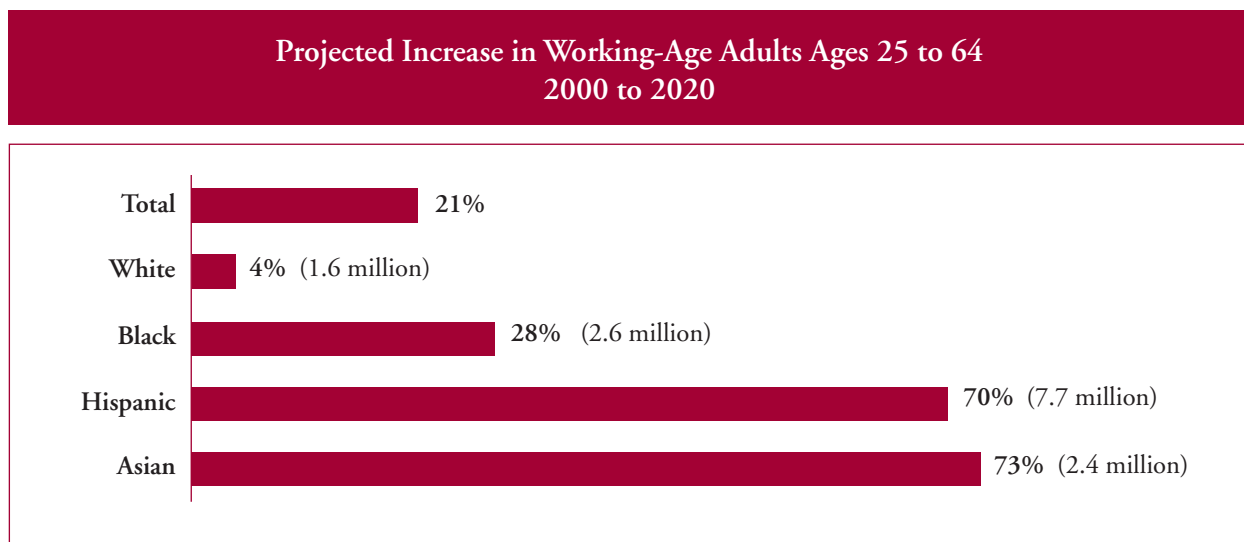
Dramatic population shifts in our states dictate more focus on college enrollment. (See Figure 1.)

The proportion of minority youth in public schools has grown in every SREB state over the last decade. By 2000, it had reached at least one-third in 12 SREB states and had passed 50 percent in three. In all SREB states, we will see a decline in the percentages of adults with at least a two-year college degree 16 years from now *if* our current elementary-age black, Hispanic and white youth earn degrees at the same rates as their racial/ethnic counterparts are earning degrees today. **This fate will not support a strong economy.**

The SREB *Challenge to Lead* goals directly address the need for SREB states to prepare our residents for this new economic reality. **The percentage of adults with college degrees and technical certificates in your state is a clear measure to track progress.** This report focuses on two sets of key questions that can help you and all policy-makers see where your state stands now in preparing students for college, in making college affordable — and in helping students graduate.

1. How successful is your state in getting students from all groups prepared for, enrolled in and graduated from technical institutes, community colleges, and four-year colleges and universities? Are young people in your state just as likely to enroll and graduate as others across the nation?
2. Are colleges in your state affordable? **Is state financial aid sufficient to ensure that eligible students from all racial/ethnic groups and income levels are just as able to go to college as students elsewhere in the United States?**

Figure 1



Source: National Center for Higher Education Management Systems' analysis of U.S. Census Bureau data.



QUESTION 1:

How does your state compare with other states and the nation in the percentages of all groups of adults with college degrees and certificates?

SREB states have some work to do before we can claim leadership in the number of adults with college degrees. The good news is that three SREB states — Delaware, Maryland and Virginia — have percentages of adults with at least a bachelor's degree above the national average of 27 percent. In addition to the college graduates produced in these states, each of them has benefited substantially from graduates of colleges in other states who have moved into the state. The U.S. Census Bureau's *Current Population Survey* for 2003 shows increases in the percentages of adults with bachelor's degrees for all SREB states since 2000. But they have not sufficiently changed to be certain they did not result from measurement error. Nine SREB states — **Alabama**, Delaware, Florida, Kentucky, Louisiana, Maryland, Oklahoma, Tennessee and Virginia — seem to be increasing

the percentages of adults with bachelor's degrees at a faster rate than the national rate. Seven SREB states increased, but by fewer percentage points than the rate for the nation. **The irony is that at their rate of improvement, they will never catch up to national averages!** (See Table 1.)

It is unacceptable that significantly fewer black and Hispanic adults than white adults in the United States and SREB states have earned bachelor's degrees. It is also disappointing that neither white nor black adults in SREB states earn bachelor's degrees at the same rate as white and black adults in the nation. More significantly, as the proportions of minority populations continue to grow, we cannot reach our goals if white, black and Hispanic youth earn degrees *at the current rates* of their counterparts nationally. Doing so would mean SREB states would actually *lose* ground.

Table 1

Percent of Adults (Age 25 and Older) Holding Bachelor's Degrees
SREB States Trail the Nation in Adults Holding Bachelor's Degrees or Higher

	Percent With Bachelor's Degree		Percentage-Point Change 2000 to 2003	Percent With Bachelor's Degree		
	2003	2000		2000		
				White	Black	Hispanic
United States	27.2	24.4	2.8	26.1	14.2	10.3
SREB states	23.7	22.4	1.3	24.4	13.7	12.3
SREB states as a percentage of United States	87	92		94	97	120
Alabama	22.7	19.0	3.7	21.2	11.5	14.6
Arkansas	17.4	16.7	0.7	17.8	10.2	7.1
Delaware	28.1	25.0	3.1	26.7	14.4	13.5
Florida	25.8	22.3	3.5	23.8	12.4	17.5
Georgia	25.0	24.3	0.7	27.4	15.5	13.6
Kentucky	21.3	17.1	4.2	17.4	10.7	13.0
Louisiana	22.3	18.7	3.6	21.8	10.9	19.5
Maryland	37.2	31.4	5.8	34.7	20.3	21.4
Mississippi	19.3	16.9	2.4	20.0	10.1	12.1
North Carolina	23.8	22.5	1.3	25.0	13.1	10.5
Oklahoma	24.3	20.3	4.0	21.5	13.7	9.6
South Carolina	22.3	20.4	1.9	24.2	9.9	14.1
Tennessee	23.5	19.6	3.9	20.5	12.9	14.1
Texas	24.7	23.2	1.5	25.8	15.3	8.9
Virginia	34.2	29.5	4.7	32.3	15.1	20.7
West Virginia	15.3	14.8	0.5	14.7	11.5	19.7

Source: U. S. Census Bureau.

What it will take is a higher proportion of all youth going to and completing college in order for SREB states to remain constant in the percentages of adults with degrees. It will take an even higher proportion for SREB states to reach and then to exceed national averages. For a strong economic future, it is critical that higher proportions of black and Hispanic youth earn these degrees.

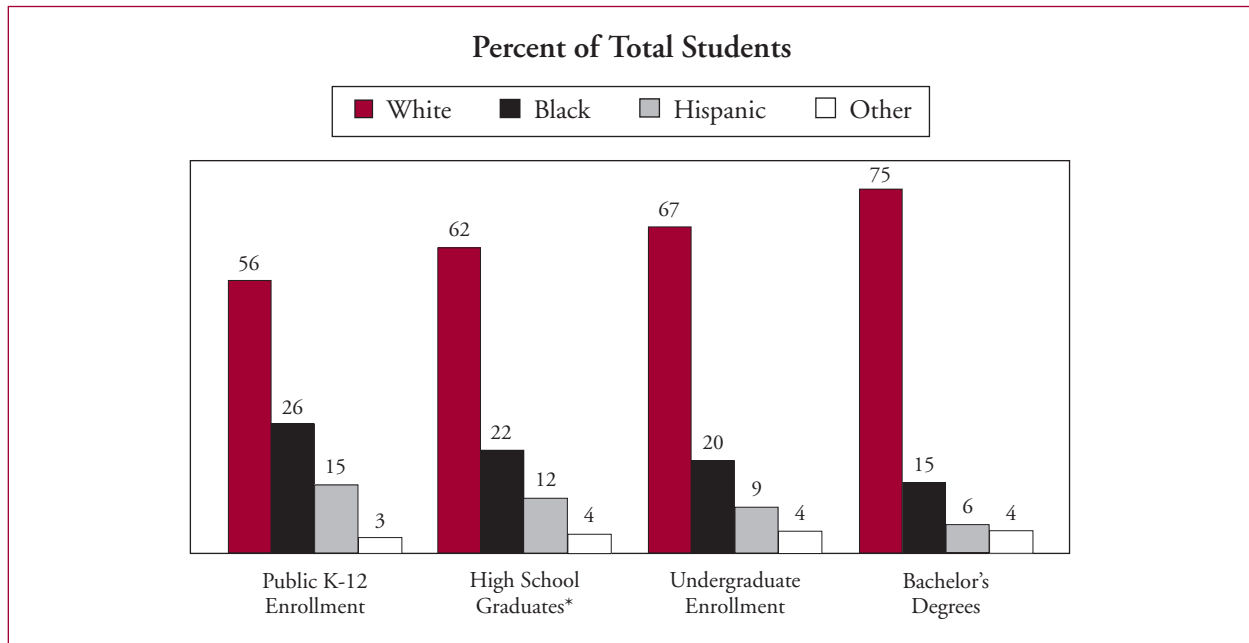
How do we fuel this growth?

By starting early.

The loss of minority youth as potential college graduates begins early in the educational pipeline. Minority youth decline in representation at each level of education. Black students represent 26 percent of public K-12 enrollment, only 22 percent of high school graduates, 20 percent of undergraduate college enrollment and 15 percent of each year's graduates with bachelor's degrees. It is no wonder that fewer black adults achieve the bachelor's degree. (See Figure 2.)

Figure 2

Minority Group Representation Declines at Each Stage of Education SREB States, 2000



* High school graduates do not include those from South Carolina and Tennessee because they do not report high school graduates by racial/ethnic groups to the National Center for Education Statistics.

Source: National Center for Education Statistics.

■ What will it take, then, for more of your state's residents to graduate from college with certificates and degrees?

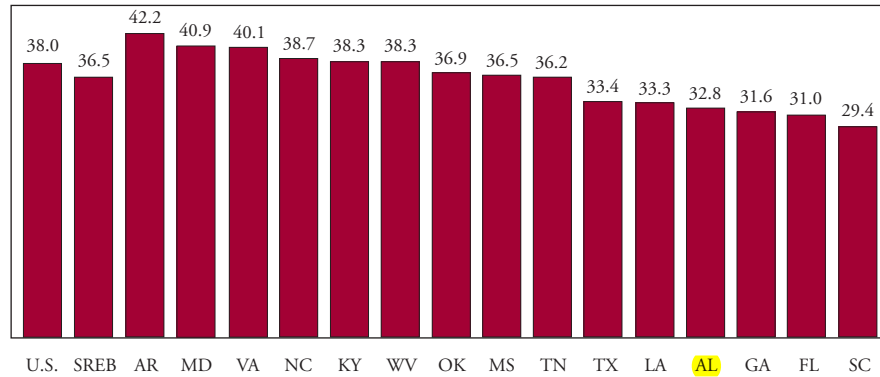
Ensure that more students graduate from high school. High school graduation rates are calculated in a variety of ways and yet — regardless of the research method — the message to SREB states is essentially the same: *Too many students drop out.* In half of SREB states, more than 25 percent of ninth-grade public school students do not graduate from high school. College-going rates of recent high school graduates are not high enough to produce the number and percentage of college graduates that your state needs. High school graduates in half of SREB states enroll in college or other postsecondary institutions below the national rate of 58 percent; the range goes

from a high of 63 percent in Mississippi to a low of 49 percent in Oklahoma.

The *real* story is that just over one-third of ninth-graders in SREB states are likely to go to college, but twice as many ninth-graders will tell you they plan to go to college. Postsecondary Education Opportunity reports that a ninth-grade student in the United States in 2002 had only a 38 percent chance of going to college by age 19. Factoring in both high school graduation rates *and* college-going rates, the center found that six SREB states exceed the national rate of college enrollment: Arkansas, Kentucky, Maryland, North Carolina, Virginia and West Virginia. Most SREB states were below the national average, and one trailed by nine percentage points. SREB states should strive to do better than send one-third of our youth to college — especially when twice that many express an interest. (See Figure 3.)

Figure 3

Percent of Ninth-Graders in 2002: Their Chance for College by Age 19¹



¹ Delaware is omitted because its institutions provided incomplete data to the National Center for Education Statistics.
 Source: Tom Mortenson, *Postsecondary Opportunity*, from National Center for Education Statistics data.

Encourage more adults without high school diplomas to earn GEDs. The success rate for attracting adults back to school after they have dropped out also is not good. One way to measure states' success in doing so is to compare the number of young adults who earn GEDs with the number of young adults who do not have high school diplomas or GEDs. In 2000, SREB states

had 2.6 million young adults ages 18 to 24 who did not have diplomas or the equivalent. Only 100,000, or 4 percent, earned GEDs that year. (See Figure 4.) The percentages of adults earning GEDs in individual SREB states ranged from 2 percent to 6.5 percent. Florida, Kentucky and West Virginia led SREB states.

Figure 4

Too Few GEDs Issued to 18- to 24-Year-Olds Without High School Credentials in SREB States, 2000

Of every 100 young adults without high school credentials in SREB states ...



Source: U.S. Census Bureau and American Council on Education.

Help students who enter college go on to earn degrees. In 14 SREB states, fewer than 60 percent of students complete degrees at the college at which they first enroll. In nine of these states, fewer than 50 percent finish. In 13 SREB states, fewer than 20 percent of students complete degrees at the two-year colleges at which they first enroll. If SREB states are going to meet our goal of more adults with college degrees and certificates, more students who do go to college will need to complete their programs.

The first significant loss of students from college is in the first year. In SREB states, 7 percent to 25 percent of students who enter four-year colleges drop out within the first year. (See Table 2.) Research indicates that many students do not make it through the first six weeks. In some cases, the states with relatively high rates of *college-going* among high school graduates also have relatively high rates of college freshmen *leaving* during or after the freshman year.

Table 2

Percent of Students Who Remain in College and Graduate ¹				
<i>Too Few Students Remain in College to the Sophomore Year; Too Few College Students Graduate</i>				
	Four-Year Colleges and Universities		Two-Year Colleges	
	First-Year College Students Who Remain at Least One Year 2001 Cohort ²	Graduation Rate ³ 1997 Cohort ²	First-Year College Students Who Remain at Least One Year 2001 Cohort ²	Graduation Rate ⁴ 2000 Cohort ²
SREB states	85	50	62	16
Alabama	82	47	89	17
Arkansas	78	36	58	24
Delaware	93	79	—	14
Florida	86	58	70	32
Georgia	86	44	68	14
Kentucky	84	45	61	9
Louisiana	78	32	59	8
Maryland	91	58	84	12
Mississippi	75	51	—	—
North Carolina	85	58	—	18
Oklahoma	85	44	64	20
South Carolina	87	57	67	15
Tennessee	80	43	60	12
Texas	88	46	64	12
Virginia	90	64	64	15
West Virginia	77	45	61	14

“—” indicates percentages not available.

¹ Based on first-time, full-time students.

² Cohort year indicates the year students entered the institution.

³ The percentage of students in fall 1997 who, within 150 percent of normal program time (six years for most programs), completed bachelor's degrees at their original institutions.

⁴ The percentage of students in fall 2000 who, within 150 percent of normal program time (three years for most programs), completed associate's degrees or technical certificates at their original institutions.

Source: SREB-State Data Exchange.

Clearly, you need to ask why so many of your state's students are not making it through college and then determine if your policies or practices can be improved to increase their chances of graduating. Key questions that need answers include:

- How prepared are high school students when they enter college?
- How effective are college remedial programs in preparing students sufficiently to continue in college to graduation?
- How available are college orientation programs, especially those that help first-generation college students adjust to a rigorous academic environment?
- How adequate are academic support services — including tutoring — particularly for students who are underprepared for college?
- Are enough sections of each course offered each academic term, particularly in key subjects that allow students to make continuous progress toward their degrees?
- How is technology used to give students options in course offerings?

Course Redesign Keeps Students in College

One promising trend in SREB states indicates that we can improve our performance in keeping students on track and fully engaged while in college by improving student learning. For example, with funding from the Pew Charitable Trusts, the Program in Course Redesign has helped institutions redesign college courses to improve quality and reduce cost. Seven institutions in five SREB states — Alabama, Florida, Mississippi, Tennessee and Virginia — have been involved in these course redesign efforts. Preliminary results indicate that projects at all of the institutions reduced costs, and two-thirds measurably improved student learning. The key factors:

- *The course redesigns were most successful when faculty redesigned the whole course, not just the individual sections of a given course.* For example, at Tallahassee Community College, English faculty redesigned their overall approach to college composition, not just individual sections of courses or those taught by individual faculty members.
- *Course redesigns were most successful when they incorporated active learning.* Successful redesign efforts have eliminated or significantly reduced lectures. At the University of Southern Mississippi, all of the students in a world literature course were enrolled in a single online section. The course content involved multimedia presentations that included digital video, photography, film clips and other illustrations so that the students were directly engaged in the material rather than passively listening to lectures.
- *Courses were more effective when they were organized around specific learning objectives and when they provided computer-based learning resources and on-demand help.* Redesigned courses provided tutorials, low-stakes quizzes and a variety of people to help students master specific course objectives. At the University of Alabama, the intermediate algebra course was redesigned to improve student performance. The new course was student-centered, computer-assisted and largely self-paced. Instructors no longer lectured, but instead worked directly with students in personalized tutorial sessions. Computer software handled much of the logistics of the course.
- *Courses were more cost-effective when they used alternative staffing patterns.* Experienced, higher-paid faculty members were engaged in the academic tasks related to the course, but colleges lowered their costs by having staff members or peer mentors manage some course activities and logistical tasks. At Florida Gulf Coast University, a visual and performing arts course in the general education curriculum divided students into groups to increase students' active involvement in the course and used alternative staff to conduct some activities.

QUESTION 2:

If your state's residents are prepared for and want to go to college, can they afford to go?

For many moderate- and low-income youth and adults who want to earn college degrees, **the high cost of college is the key barrier they must overcome.** In fact, research confirms the common sense notion that more recent high school graduates and more adults in the work force will attend college if they think they can afford it. This is particularly true for those who completed a college-preparatory curriculum. **So how can we ensure that those who want to go to college, and particularly those who are prepared to go, are not discouraged by cost?**

Can enough of the students you need to attend college in your state pay the cost to attend from the resources that are available to them?

Policy-makers are routinely called on to answer the seemingly easy question: “Are colleges affordable in my state?” The easy answer is that college, at whatever the cost, is affordable for some students, if not for all. The more meaningful question is: Can enough of the students you need to attend college in your state pay the cost to attend from the resources that are available to them?

Dollars are important, but because affordability is also **a matter of perception,** state policy-makers should do more than simply strive to keep the cost of college — after financial assistance — within reach of all students. You should **make it widely known that colleges in your state are affordable.** **Families think they cannot afford**

college when they hear about increases in tuition and fees or decreases in aid programs, particularly heavily publicized ones. When costs go up, states should do a better job of making need-based financial aid available for students and of getting the word to students and their families about the availability of financial aid.

You should also **make it easier for students and their parents to obtain the financial assistance** they need. It is a telling fact that many students who qualify for federal student financial aid programs do not apply, including many from families who earn less than \$30,000 per year. At least part of the problem they face is a hurdle of paperwork they do not understand. According to the American Council on Education, “approximately 1.7 million individuals from low- and moderate-income families did not complete the basic financial aid form — the FAFSA — in 2000. Fourteen percent of dependent and 17 percent of independent low-income, full-time [college] students did not apply for aid.”

Why? Studies report that many of these students believe they are not qualified, and many believe they missed deadlines. In fact, there is no deadline on completing the FAFSA for the basic federal Pell Grant program for low-income students. **The result is that these students are unnecessarily taking courses at a slower pace to stretch out the expense, taking on jobs or cutting costs.** For example, many are foregoing textbooks or health insurance in order to stay in school.

Decisions not to attend college are significantly influenced by student perceptions of the gap between the money that they have (or think they can raise) and the costs of going to college. Not only do these perceptions of cost and need affect students’ decisions not to go to college, but studies tell us that they also affect students’

decisions to remain in college. These studies also indicate that awards of grants and work opportunities, as forms of financial assistance, are more important in encouraging enrollment and retention than offers of loans.

Decisions not to attend college are significantly influenced by student perceptions of the gap between the money that they have (or think they can raise) and the costs of going to college.

What can you do to help students and parents learn about college costs and financial assistance? SREB states are working on ways to share information about both federal and state-funded financial aid programs. Kentucky and Texas have launched statewide college access and outreach campaigns to promote college attendance and provide information about financial assistance. Oklahoma has effectively promoted college attendance through its statewide GEAR UP grant. Other SREB states are joining them and are launching similar programs with the assistance of SREB's Go Alliance. This newly established SREB partnership will help states share materials and ideas so their efforts are successful in reaching their audiences and are cost-effective.

Most SREB states have or will launch comprehensive, interactive Web sites that provide financial assistance information along with a wide array of other college information for students and parents. North Carolina, for example, has such a Web site, www.cfnc.org, for middle grades and high school students and their parents. It launched a highly successful statewide media campaign to make students and parents aware of this single point of information about colleges, costs and financial assistance. In addition, SREB's *Electronic*

Campus, a regional Web site that encompasses all 16 SREB states, provides links for students and parents to each state's online information and services. The *Electronic Campus*' interactive Web site makes it quicker and easier for students to apply for financial aid in any of the 16 states. You can help get the message out about the benefits of these types of programs and make sure that your state participates.

It's also helpful to look at how college costs compare with other increases. College costs have risen more than other costs. Between 1998 and 2003, tuition and fees for students in SREB states to enroll for one year at public four-year colleges in their home states rose 47 percent (just over \$1,000, or approximately \$200 per year over the five-year period), and at public two-year colleges they rose 35 percent (nearly \$400, or approximately \$80 per year over the five-year period). These increases outpaced increases in family income (11 percent, equaling just under \$4,000 before taxes) and inflation (12 percent).

Increases in college costs have disproportionately affected students from low-income families. Over the last 20 years, annual college costs have remained a steady 6 percent or 7 percent of the highest annual incomes. They have increased, however, from 61 percent to 106 percent of lowest annual incomes. This trend indicates that college costs have increased at about the same rate as high incomes have increased, but they have dramatically exceeded increases in low incomes. Unless students from families with middle or low household incomes receive considerable financial aid, they have lost buying power in the college marketplace.

Unless students from families with middle or low household incomes receive considerable financial aid, they have lost buying power in the college marketplace.

College costs also vary considerably by state. In 2004, the cost (tuition, fees and living expenses) for a year at a public four-year college in SREB states ranged from \$12,584 in Maryland to \$6,950 in Louisiana. Maryland also had the highest-cost public two-year colleges at \$9,715. And Louisiana had the lowest-cost public two-year colleges at \$5,730.

- The cost of attending a year at a public *four-year institution* exceeds the national average in four SREB states: Delaware, Maryland, South Carolina and Virginia.
- The cost of attending a year at a public *two-year institution* exceeds the national average in two SREB states: Delaware and Maryland. (See Table 3.)

Table 3

Average Annual, Selected Costs for Full-Time, In-State Students, 2004					
<i>College Costs Vary Considerably by State</i>					
	Housing and Food ¹	Public Four-Year Colleges and Universities		Public Two-Year Colleges	
		Tuition and Fees	Total Costs (1 + 2)	Tuition and Fees	Total Costs (1 + 4)
		1	2	3	4
United States	\$5,884	\$4,183	\$10,067	\$2,087	\$7,971
SREB states	5,248	3,660	8,908	1,680	6,928
Alabama	4,851	3,842	8,693	2,520	7,371
Arkansas	4,277	3,851	8,128	1,650	5,927
Delaware	6,182	5,397	11,579	1,932	8,114
Florida	6,210	2,908	9,118	1,695	7,905
Georgia	5,771	2,784	8,555	1,582	7,353
Kentucky	4,438	3,590	8,028	2,370	6,808
Louisiana	4,022	2,928	6,950	1,708	5,730
Maryland	7,020	5,564	12,584	2,695	9,715
Mississippi	4,687	3,536	8,223	1,424	6,111
North Carolina	5,410	2,927	8,337	1,166	6,576
Oklahoma	4,532	2,763	7,295	1,923	6,455
South Carolina	5,093	5,460	10,553	2,600	7,693
Tennessee	4,805	3,852	8,657	2,059	6,864
Texas	5,467	3,830	9,297	1,248	6,715
Virginia	5,637	4,899	10,536	1,883	7,520
West Virginia	5,404	3,168	8,572	1,936	7,340

¹ Median cost for on-campus room and board. Many two-year and four-year college students commute from home to school. Commuting students' costs are calculated at the same rate as that for boarding students — about \$20 per day. The costs of books, clothing, health care and transportation are not included for either group.

Sources: SREB-State Data Exchange; and National Center for Public Policy and Higher Education, *Measuring Up*, based on National Center for Education Statistics data.

How do these increases in college costs to students compare to cost increases that colleges and universities have experienced? Expenses at colleges and universities *have* risen faster than in other sectors of the economy. The familiar measure for inflation — the Consumer Price Index — does not measure well the changes in costs of goods and services that colleges and universities purchase. The U.S. Bureau of Labor Statistics calculates a measure of inflation for public colleges and universities (the Employment Cost Index) that bases inflation rates on the variety of specialized employees that college and universities hire. Between 1991 and 2001, inflation for consumers was considerably lower, averaging 2.7 percent per year, than inflation for colleges and universities, averaging 3.4 percent per year. When compounded over the decade, this is a very substantial difference.

With these costs rising, how much should families be expected to pay for college? The U.S. Congress has approved a formula for determining eligibility for federally funded student financial aid, including Pell Grants. This formula yields an amount that families are expected to pay for a year of college; the amount is called the “expected family contribution.” It is based on household income (including one-half of what the student earns), assets and family circumstances, including number of children and number of children in college. The financial aid formula assumes that families will pay this amount toward college costs.

The expected family contribution ranges from zero for students from families with annual incomes of \$20,000 or less and few assets to more than \$24,000 for families with annual incomes of \$100,000 or more and considerable assets. A family of four (two adults and two children) with an annual income of \$37,600 a year (the **average** household income in the median SREB state) might be expected to pay \$1,750 toward college expenses for a child in college. That amounts to about **20 percent of the cost of attending** a public four-year college in a median SREB state: \$8,900, as shown in the box below.

The student is eligible for financial assistance to cover costs of college that exceed the expected family contribution. The amount remaining after the expected family contribution is subtracted from the cost is the amount of *need* for financial assistance. The student and family have the responsibility to find these funds from other sources: federal, state and institutional grants; federal tax credits; self-help; loans; student employment or other cost savings. These financial-need amounts range from a high of \$8,603 in South Carolina to a low of \$4,686 in Virginia. The relative positions of South Carolina and Virginia on financial need illustrate the role of family income in the equation. The costs of college in both states are generally the same. The average household incomes in these states are significantly different, however. The resulting expected family contributions are therefore significantly different. (See Table 4.)

Follow the numbers:

For a student from a family with \$37,600 annual household income to pay tuition, fees, housing and food at a public four-year college in an SREB median state:

The median cost of four-year colleges in SREB states =	\$8,900
Expected family contribution =	- \$1,750
Financial <i>need</i> =	\$7,150

Table 4

Estimates of Financial Need for Students from Average-Income Families, 2004¹
Students in All SREB States Need Significant Financial Assistance to Attend College

	Estimated Median Household Income ²	Annual Cost at a Public Four-Year College	Expected Family Contribution ³	Remaining Financial Need (cost minus expected family contribution)
United States	\$43,800	\$10,067	\$2,750	\$7,317
SREB states (median)	37,600	8,908	1,750	7,158
Alabama	37,900	8,693	1,800	6,893
Arkansas	32,900	8,128	1,000	7,128
Delaware	48,600	11,579	3,650	7,929
Florida	39,100	9,119	2,000	7,119
Georgia	42,600	8,555	2,550	6,005
Kentucky	37,200	8,028	1,700	6,328
Louisiana	34,500	6,950	1,250	5,700
Maryland	51,700	12,584	4,300	8,284
Mississippi	32,300	8,223	900	7,323
North Carolina	37,000	8,337	1,650	6,687
Oklahoma	37,200	7,295	1,700	5,595
South Carolina	38,800	10,553	1,950	8,603
Tennessee	38,700	8,657	1,950	6,707
Texas	39,500	9,297	2,050	7,247
Virginia	57,600	10,536	5,850	4,686
West Virginia	34,000	8,572	1,200	7,372

¹ The federal formula for calculating expected family contribution has been adjusted for 2005 for changes in state tax rates between 1988 and 2000. State tax rates have declined in most states; family adjusted gross income has therefore increased. The result in most states is that fewer students will be eligible for Pell Grants in 2005, and many eligible students will receive smaller grants.

² Median household income in 2004 is estimated from average annual increases since 2000.

³ Based on family of two parents, two children, one in college; older parent is 45 years of age, with \$50,000 in assets. The calculation includes student income.

Sources: SREB *Fact Book* online Data Library; National Center for Public Policy and Higher Education, *Measuring Up*, based on National Center for Education Statistics data; FinAid! The SmartStudent Guide to Financial Aid; and U.S. Census Bureau.

Federal and state funds are available to help. Federal Pell Grants give eligible students up to \$4,050. Over the past five years, increases in funding for both federal and state grants and scholarships outpaced increases in tuition and fees in most SREB states. Pell Grants to students in SREB states rose 94 percent to \$3.2 billion, compared with 76 percent nationally, and ranged from 147 percent in North Carolina to 59 percent in Louisiana. State-funded, need-based scholar-

ships and grants rose 121 percent, and non-need-based aid grew by 146 percent. SREB states are spending more than \$786 million for undergraduate need-based grants and \$1 billion for undergraduate grants not based on need.

Students who qualify for Pell Grants also are eligible for Federal Supplemental Educational Opportunity Grants of \$100 to \$4,000. The grant program is administered by colleges and universities; therefore, the amount each student receives is

a local-campus decision. About 25 percent of Pell Grant recipients received supplemental grants, averaging \$703, in SREB states in 2001.

States have taken very different approaches in their financial aid programs for their residents. Some — including Texas — have emphasized need-based aid, with most financial aid going to students who demonstrate financial need. Some — including Georgia — have placed emphasis on merit-based scholarships, with most financial aid going to students who meet specified college-preparation or GPA requirements. Other states — including Kentucky — appropriate roughly half of their financial aid resources to need-based aid and half to non-need-based aid. North Carolina and Virginia spend considerable proportions on non-need-based financial aid for students at private colleges and universities as tuition-equalization grants: 77 percent and 80 percent, respectively. (See Table 5 and the SREB-State Data Exchange at www.sreb.org.)

The most significant development in SREB states' approaches to providing financial assistance to families over the past decade has been the establishment of **merit-based scholarship programs**. These programs provide incentives for students to become better prepared for college, help keep talented students within their home states and provide relief from higher college costs. Georgia's HOPE Scholarship program was the first of the new, large-scale, merit-based programs aimed at promoting state priorities. State grant programs based primarily on merit totaled more than \$1 billion in SREB states in 2003. Florida, Georgia, Louisiana and South Carolina awarded \$813 million in merit-based scholarships in 2003. That is \$27 million more than the total of state-funded, need-based grants awarded in the 16 SREB states.

Academic achievement and lack of financial resources, of course, are not mutually exclusive. For example, the Georgia Student Finance Commission reported that in 2002, students who had financial need — as defined by U.S. Congress financial aid guidelines — received 30 percent of

Georgia HOPE Scholarships and 27 percent of Georgia HOPE dollars. While some of these students are from moderate- or high-income families and qualify for financial aid because they attend higher-cost private schools, the point remains that a significant number of low-income students do qualify for merit-based scholarships.

Not all SREB states shifted their budgets to merit-based programs from 1998 to 2003. Maryland, North Carolina and Tennessee cut non-need-based awards and increased need-based grants between 1998 and 2003. The Maryland Legislature approved a 2004 governor's budget proposal to reallocate funding from merit-based scholarship to need-based aid. Maryland is no longer accepting applications for its merit-based scholarship. Existing scholarships will continue as long as students remain eligible. Tennessee has since begun a lottery-funded scholarship program that provides both merit-based and need-based aid.

Institutional grants — both need-based and non-need-based — play a significant role in student financial aid. Public four-year colleges in SREB states provide about the same amount of aid as their students receive in Pell Grants. Public two-year colleges provide less — only about one-ninth of the amount their students receive in Pell Grants. In public institutions, these funds come from operating revenues, including appropriations, tuition and endowment income. **Typically, state budgets do not include line-items to schools for scholarships, but schools can allocate portions of their budgets to student aid. Any funds states do appropriate for student aid usually support state scholarship programs.**

In addition to federal and state financial aid, federal tax credits can help your students. Middle- and lower-income families (who earn less than \$50,000 per year) with students in college may be eligible for federal tax credits, known as HOPE tax credits and Lifetime Learning tax credits. These credits — distinct from tax deductions — are subtracted directly from the tax a family owes.

Table 5

State and Federal Aid Dollars to Undergraduate Students and Percent Increases
SREB States Shift More Funds to Merit-Based Aid

	Dollars Awarded: 2003				Percent Increase: 1998-2003		
	Pell Grants in Public Colleges and Universities		State Scholarships/Grants		Pell Grants in Public Colleges and Universities	State Scholarships/Grants	
	Grants (\$000s)	Average Per Recipient	Need-Based (\$000s)	Non-Need-Based (\$000s)		Need-Based	Non-Need-Based
United States	\$7,724,829	\$1,913	\$3,930,714	\$1,202,826	76	44	118
SREB states	3,181,330	1,900	786,264	1,016,811	94	121	146
Alabama	186,099	1,886	1,646	5,055	88	-28	-10
Arkansas	122,299	1,971	20,981	7,249	121	59	224
Delaware	14,836	1,675	1,713	302	90	33	17
Florida	442,152	1,921	88,731	202,205	98	149	105
Georgia	200,721	1,616	1,501	395,775	88	42	90
Kentucky	139,029	1,958	51,742	58,191	80	90	NA
Louisiana	189,762	2,100	1,452	103,560	59	-82	808
Maryland	116,675	1,799	39,512	4,001	69	6	-36
Mississippi	176,216	2,095	1,340	19,008	105	25	*
North Carolina	263,305	1,932	76,344	45,272	147	106	-4
Oklahoma	143,696	1,941	22,272	10,186	81	32	17
South Carolina	132,120	1,761	26,127	111,935	119	19	NA
Tennessee	153,583	1,899	45,806	617	89	124	-21
Texas	686,316	1,897	318,784	4,014	99	425	NA
Virginia	148,872	1,853	69,138	39,441	66	17	64
West Virginia	65,648	2,054	19,175	10,000	75	58	NA

* Beginning in 1999-2000, funding for programs in this category grew from under \$100,000 to over \$18 million.

“NA” indicates not applicable. The state did not have a program of this type in at least one year required for this report.

Sources: SREB *Fact Book* online Data Library; National Association of State Scholarship and Grant Aid Programs; and the Office of Postsecondary Education, U.S. Department of Education.

Table 5 Highlights

- The most dramatic increase in state-funded, need-based aid was in Texas, where it more than quadrupled. The most dramatic increase in non-need-based aid was in Louisiana, where it increased eightfold. Louisiana introduced the lottery-funded TOPS scholarship in 1998.
- Texas spends 40 percent of all SREB state-funded, need-based dollars and 8 percent of all U.S. state-funded, need-based dollars: nearly \$319 million. Georgia spends 39 percent of all SREB state-funded, non-need-based dollars and 33 percent of all U.S. state-funded, non-need-based dollars: nearly \$396 million. Texas puts nearly 99 percent of its funding in need-based aid, and Georgia puts 99 percent of its funding in non-need-based aid.

Families that do not owe taxes do not benefit from the tax credit, and families that owe less in taxes than the maximum tax credits receive a credit equal to their tax obligation. The HOPE tax credit cannot be applied to taxes for households with adjusted gross incomes of \$103,000 and above, and it is reduced for households of \$83,000 and above.

The maximum federal HOPE tax credit that a family may claim is \$1,500 per tax year for the first two years of undergraduate studies for *each* eligible dependent student. In subsequent years, a family may claim Lifetime Learning credits at a lesser amount for that student. Because low-income families do not pay taxes or may not pay enough taxes to qualify for these tax credits, students from low-income families are not likely to receive this assistance. Middle-income families with children in college are most likely to receive the tax credits. Upper-income families are not likely to be eligible.

■ Does all of this financial aid make college affordable for all?

It depends. **If your state provides adequate state aid to bridge the gap between: (1) the cost of college and (2) the family contribution, plus federal aid — then the answer is yes. If your state does not, then the answer is no.**

For students both from middle-income families (\$37,600) and from families in poverty (\$17,000), **large gaps remain** after applying estimated grants and credits to the costs. Students from middle-income families receive a partial Pell Grant plus the HOPE tax credit. Students from families in poverty receive a full Pell Grant but likely do not qualify for tax credits. For students from middle-income families, the resulting gap is \$3,350 per year at four-year colleges and \$1,350 per year at two-year colleges. For students from families in poverty, it is \$4,850 per year at four-year colleges and \$2,850 per year at two-year colleges. (Follow the numbers below.)

Follow the numbers:

The Affordability Gap The Dollar Shortfall for a Family of Four in an SREB State (with one person in college)

Family Income:	Cost of College	-	Expected Family Contribution ¹	-	Pell Grant	-	Tax Credit	=	Affordability Gap ²
Four-Year College									
\$37,600 (SREB Median)	\$8,900	-	\$1,750	-	\$2,300	-	\$1,500	=	\$3,350
\$17,000 (U.S. Poverty Level)	\$8,900	-	\$0	-	\$4,050	-	\$0	=	\$4,850
Two-Year College									
\$37,600 (SREB Median)	\$6,900	-	\$1,750	-	\$2,300	-	\$1,500	=	\$1,350
\$17,000 (U.S. Poverty Level)	\$6,900	-	\$0	-	\$4,050	-	\$0	=	\$2,850

¹ Family contribution includes one-half the wages earned by the student.

² Students may also qualify for a Federal Supplemental Educational Opportunity Grant. The average award per recipient in SREB states was \$703 in 2001. Approximately 25 percent of Pell Grant recipients received these grants.

There lies the problem. Once these federal grants and credits are applied, students from both middle- and low-income families must find additional resources. They look to state need-based and merit-based aid, institutional scholarships or grants, or private scholarships. Families might also decide to borrow funds — or students might work additional hours — to pay these remaining costs. They might also try to cut costs.

Do loans make up the difference? No. It's obvious why loans have become an important part of financial aid packages for students from families at all income levels. In SREB states, of all freshman students receiving aid, 38 percent take out loans as part of their aid packages. However, unlike other forms of aid, **loans do not reduce costs.** They simply delay them, allowing families and students to spread the cost of college over several years — which ends up increasing costs by adding interest.

When loans are factored into financial assistance packages, many upper-income families have more resources available to them to pay for college than they may need. But even loan programs do not bridge the resource gap for many students.

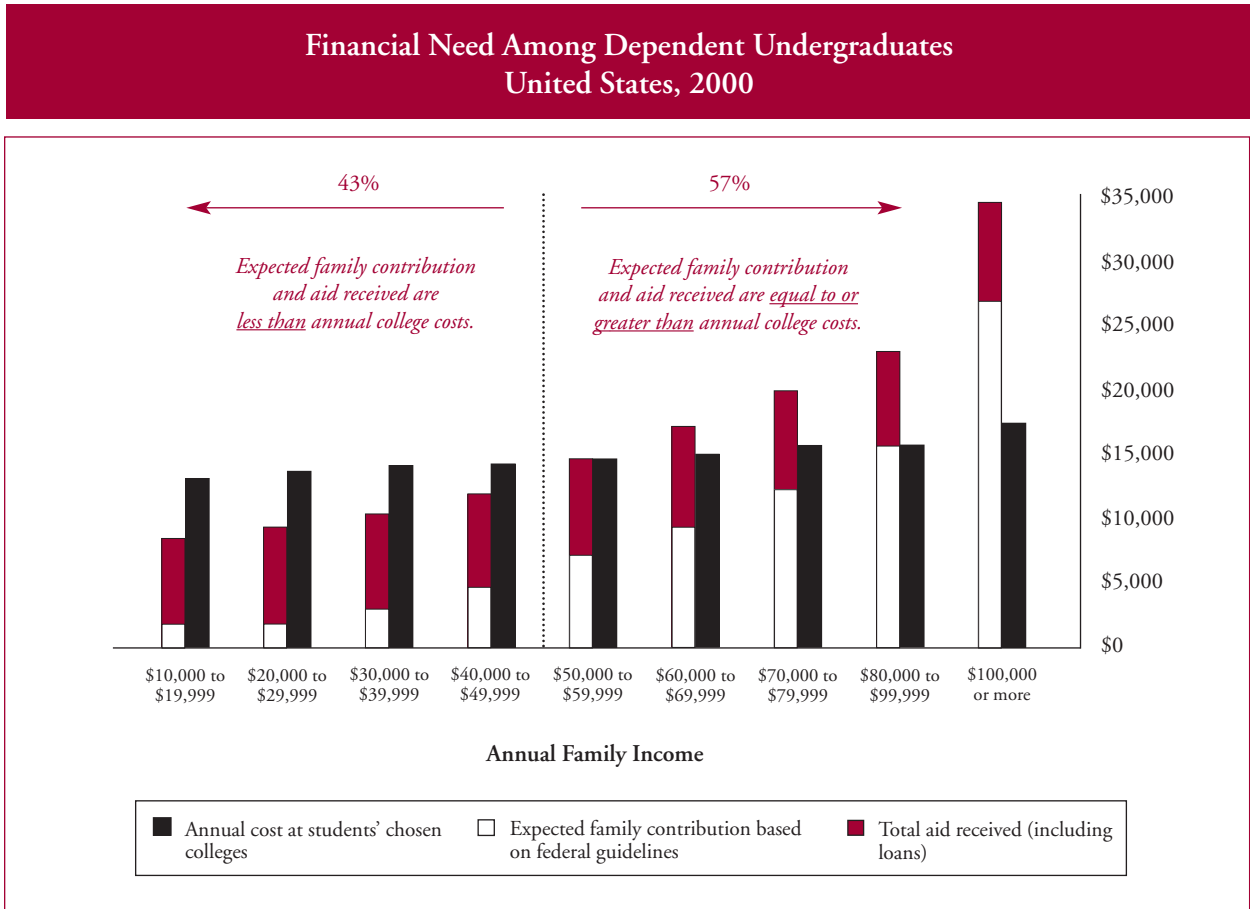
There is a gap between costs and resources for those making less than \$50,000, and the gap increases as income decreases. *More than 40 percent of all college students cannot cover college costs without resources beyond their families' contributions and all financial aid, including loans.* Financial aid — including loans — does close the gap for students from families with incomes of more than \$50,000 per year. (See Figure 5.) But students from low-income families — **those that your state needs most to become economically productive** — are likely to drop out and perpetuate lifetimes of financial struggle.

How do we break the cycle?

But Can't Students Cut Costs, Get Jobs or Get Aid from Their Colleges?

- *Can't students who really want to go to college get a job and help with the costs?* Yes, many college students do have jobs, but **the federal financial aid formula for determining expected family contribution already includes that reported income.** The federal formula assumes that students will contribute 50 percent of their income to college costs in before-tax dollars. Yet a gap often remains after the family contribution, federal and state aid are applied.
- *Can't students cut college costs by living at home?* Yes, that is, if a student can live with parents, eat and get back and forth from college, all for less than \$20 per day. Many students do live in their parents' home. But they or their parents must pay for commuting to campus, which usually means maintaining a car. There are other costs as well. The estimated cost of housing and food for all students in this report equals a modest \$20 per day for the nine-month academic year. Actual costs can be much higher.
- *Don't some students get aid from their colleges to help with these costs?* Institutions provide about 10 percent of the total financial aid available to students. Many grants are endowed as scholarships by institutional supporters and have stipulations, often merit-based, governing who can receive them. Others are designed to attract students with specific talents. **Institutional aid is not sufficient to ensure that students who do not have resources to attend college get what they need.**
- *Can't students just cut some corners and make it work?* Students — especially those from families with incomes below \$50,000 — do cut corners to go to college. The costs of college analyzed in this report do not include books, supplies, health care, clothing and personal items. Many students cut back on these items — and on food and transportation as well. Many commuting students have unreliable transportation. Students may go without or share textbooks, creating a challenge at exam time. Many do not have health insurance.

Figure 5



Source: Tom Mortenson, *Postsecondary Opportunity*, from National Center for Education Statistics data.

■ **State studies of college affordability are essential.**

For SREB states to make progress in this area, each state must know exactly where it stands on affordability. Some states already conduct periodic studies, and three are outlined below. But all states — because of wide variations in tuition, scholarships and the organization of college and university systems — need to track affordability at the state level on a regular basis.

Studies recently completed in Florida, North Carolina and Texas provide good examples. The North Carolina and Florida studies provide information on the percentages of applicants by family income level; expected family contribution by income level; costs of attendance; financial need by income level; scholarships, grants and loans

received by income level; the percentage of students with unmet need; and the amount of unmet need.

Florida's report concludes that the amount of financial aid received (including loans) was not enough to erase the [affordability] gap.

Florida: Florida's Office of Program Policy Analysis and Government Accountability's August 2003 Information Brief, *Compilation of College Affordability Data for Students Who Applied for Federal Aid*, "identifies the sources and types of

financial aid available to Florida students and examines the ‘unmet student financial need’ computed by the federal government for 2000-01 college students.” The report concludes that for the majority of federal aid applicants, the amount of financial aid (including loans) received was not enough to erase the gap between what the students and their families could pay and all costs of attendance (including such items as books and transportation). Community college federal aid applicants had higher amounts of unmet need (about \$4,000) than did university federal aid applicants (about \$1,500). This trend was true even as Florida had a substantial increase in both its state merit-based and need-based grant programs.

North Carolina’s need-based grant program increased dramatically. The study indicates that unmet need of low-income families remained high.

North Carolina: A report prepared for the North Carolina State Education Assistance Authority, *Measures of College Affordability in North Carolina*, examined college-going rates; the net price of college at the public, four-year University of North Carolina in relation to family income and financial aid; and the average cumulative student debt upon graduation. The study reports that North Carolina’s college-going rate exceeds the national rate. Remaining financial need after grants remained stable during the five-year period, and unmet need of students

from low-income families (earning less than \$30,000 per year) remained high after grant assistance, including loans, was deducted from price. After both grant and loan assistance, students from families earning \$60,000 or more had no remaining need. The average cumulative debt for students who borrowed was just over \$15,000.

Texas found that, as a percentage of median family income, higher education in the state is less affordable than it was in 1990.

Texas: The Texas Higher Education Coordinating Board took a different approach from the North Carolina and Florida studies. A March 2003 report, *Financing Higher Education: The Appropriate Balance Among Appropriations, Tuition and Fees, and Financial Aid to Achieve the Goals of Closing the Gaps*, defined affordability by examining average charges (tuition, fees and other charges that support students’ educational and general activities) for a full-time-equivalent student as a percentage of the median income for a Texas family of four. The report states that Texas higher education has become less affordable since 1990. Annual tuition and fee charges at doctoral/research universities increased from 3.4 percent to 8.4 percent of median family income. Charges at comprehensive universities moved from 2.6 percent to 5.2 percent of median family income. Two-year college charges remained more stable, moving from 2.4 percent to 2.8 percent.

What Needs to Happen?

- **More residents in SREB states, especially from minority and low-income populations, should go to college** and earn either college degrees or certificates. The demographic shifts already well under way in our states require that we increase efforts to **provide preparation for, access to and success in** college for all students, especially those who have not traditionally gone to college. If we are not successful, SREB states will not have the educated work forces we need for the new, knowledge-based economy.
- **Perceptions about the cost of college need to change** so that more students will apply for postsecondary education. Many families may dismiss the opportunity of college for their children without ever knowing what financial support may be available to them.
- **Financial assistance should match financial need.** For 40 percent of high school graduates, even the lowest-priced colleges are out of reach financially without substantial state or institutional grant aid.

What Can You and Your State Do?

- **Conduct state studies on a regular basis** to keep track of the percentages of residents going to and graduating from college and the adequacy of financial aid programs. Studies should analyze how (and whether) all of the financial aid policies and programs in your state are aligned and what it will take to ensure that all students in your state can afford to go to college.
- **Develop programs that help families begin planning early** on how to meet the costs of college.
- **Use information campaigns and outreach efforts** to help families know about the availability of financial aid.
- **Assess the impact on families of changes in state appropriations for colleges and universities and increases in tuition and fees.** Give priority to these impacts in making decisions as well as to **comparisons of tuition and fees charged at similar institutions in other states.**
- **Increase need-based grant programs with increases in tuition and fees, particularly for those aimed at low-income students.** Loans should become a smaller percentage of aid for low-income students.
- **Consider adding the criterion of financial need to merit-based programs.** State policy-makers can consider both need and merit in setting criteria for scholarship and grant programs.

Most SREB states have made steady progress in increasing the percentage of adults with degrees — a true imperative if state residents are to be ready for jobs in the new economy. States now need to step up efforts to get more students prepared for, enrolled in and graduated from college. State college and university systems should find ways to keep higher education affordable. And financial aid programs should reflect the priorities of our *Challenge to Lead* goals — ensuring that all students who qualify for admission and want to go to college can afford the education we need for them to have.

All of these state efforts should result in greater college enrollments, more diverse job and career opportunities, increased earning power for individuals, higher tax revenues for local communities and states — and a stronger economic future for SREB states.

References

■ Additional Sources

Compilation of College Affordability Data for Students Who Applied for Federal Aid. Office of Program Policy Analysis and Government Accountability, The Florida Legislature, Report No. 03-47, August 2003.

Financing Higher Education: The Appropriate Balance Among Appropriations, Tuition and Fees, and Financial Aid to Achieve the Goals of Closing the Gaps. Texas Higher Education Coordinating Board, March 2003.

Knapp, Laura Greene. *Measures of College Affordability in North Carolina: An Assessment of the Affordability of North Carolina's Higher Education Opportunities to all of North Carolina's Residents.* North Carolina State Education Assistance Authority, November 2003.

Missed Opportunities: Students Who Do Not Apply for Financial Aid. American Council on Education, October 2004.

Twigg, Carol A. *New Models for Online Learning.* EDUCAUSE, September/October 2003.

The following reports may be found on the SREB Web site at www.sreb.org.

■ **Challenge to Lead Education Goals Series**

Getting the Mission Right in the Middle Grades, 2004.

This report documents SREB states' progress in getting middle grades students ready for high school. The analyses are based on scores and standards of state achievement tests and on results from the National Assessment of Educational Progress. The report also describes promising practices for preparing middle grades students for high school, based on technology applications that have been implemented in SREB states and on the work of SREB's *Making Middle Grades Work*.

Mastering Reading and Mathematics in the Early Grades, 2004.

This report documents SREB states' progress in getting early grades students ready for the middle grades. The analyses are based on scores and standards for state achievement tests and on results from the National Assessment of Educational Progress. The report also outlines how federal funds for reading programs are distributed to districts and schools, what states are requiring of students who do not meet state standards at the end of third or fourth grade, and what retention and promotion policies states have developed for students who do not meet standards.

Progress Being Made in Getting a Qualified Leader in Every School, 2004.

This report documents SREB states' progress in redesigning the preparation and development of school principals. The analyses are based on information collected in interviews with state agency personnel on six key indicators. The report also outlines actions that states can take to make progress on each indicator, describes promising practices being implemented by some states and identifies challenges states face in creating new policies that can drive more effective programs and practices.

Resolve and Resources to Get a Qualified Teacher in Every Classroom, 2004.

Every student deserves qualified teachers, but states do not have enough qualified teachers for every subject in every school. This report documents SREB states' progress toward getting a qualified teacher in every classroom. It highlights the essential policies that SREB states should resolve to develop and to support with adequate resources.

■ **Other Related Reports**

10 Strategies for Raising Achievement and Improving High School Completion Rates, 2004.

This overview describes 10 strategies that states, districts and schools can implement to raise student achievement while increasing high school graduation rates.

ACT and SAT Scores in the South: The Challenge to Lead, 2003.

This report provides new data and urges policy-makers to analyze the scores within their states on tests for college admission: Are SREB states improving their ACT and SAT scores? Are SREB states closing achievement gaps? Are students in SREB states being sufficiently prepared for college? How do students in SREB states compare with students nationally? In better understanding these test scores, policy-makers will be able to capitalize on the momentum of a decade of improvement.

Getting High School Graduation Test Policies Right in SREB States, 2004.

High school graduates should be ready for college and a career, but how do we assess the value of a diploma? SREB states have tried to ensure the quality of their diplomas by requiring that students take tests in their last years of high school. This report examines variations in SREB states' policies on high school graduation testing and highlights issues that affect these policies.

Higher Education Studies, Reports and Surveys in the SREB States, 2004.

What issues are being addressed by reports in the SREB states? This 2004 listing compiles the latest publications of higher education agencies in 16 states, organized by more than 20 topics, and includes how to contact these agencies for additional information

High School to College and Careers: Aligning State Policies, 2005.

Programs and requirements for a student's transition from high school to college and career vary considerably among SREB states. Differing state policies govern many key areas of college readiness, including: the courses and tests required in high school, early outreach, joint enrollment programs, college admission and placement standards, colleges' reports to high schools about their graduates' performance, and state financial aid. This update to the 2002 report provides a one-page summary of each state's policies in these areas.

Targeting the Adult Learning Challenge in SREB States, 2004.

SREB recognizes the importance of increasing the number of adult learners who participate in postsecondary education. For the South's continuing social and economic progress, SREB states must ensure that "no adult is left behind." This report highlights SREB's Adult Learning Campaign and efforts to address the adult learning challenge through greater awareness, use of e-learning and policy changes.

Challenge to Lead Goals for Education

1. All children are ready for the first grade.
2. Achievement in the early grades for all groups of students exceeds national averages and performance gaps are closed.
3. Achievement in the middle grades for all groups of students exceeds national averages and performance gaps are closed.
4. All young adults have a high school diploma — or, if not, pass the GED tests.
5. All recent high school graduates have solid academic preparation and are ready for post-secondary education and a career.
6. Adults who are not high school graduates participate in literacy and job-skills training and further education.
7. *The percentage of adults who earn postsecondary degrees or technical certificates exceeds national averages.*
 - *All groups of new high school graduates enroll in technical institutes, community colleges, and four-year colleges and universities at increased rates that exceed national averages.*
 - *Larger percentages of college freshmen enroll for a second year, and these percentages exceed national averages.*
 - *The percentages of all groups of students earning degrees or certificates from technical institutes, community colleges, and four-year colleges and universities increase to exceed national averages.*
 - *State financial aid — need-based and merit-based — is sufficient to raise postsecondary enrollment rates to exceed national averages for all groups of students.*
 - *Adults have increased access to postsecondary training through public-private partnerships, especially nationally recognized certificate programs.*
8. Every school has higher student performance and meets state academic standards for all students each year.
9. Every school has leadership that results in improved student performance — and leadership begins with an effective school principal.
10. Every student is taught by qualified teachers.
11. The quality of colleges and universities is regularly assessed and funding is targeted to quality, efficiency and state needs.
12. The state places a high priority on an education *system* of schools, colleges and universities that is accountable.

The Southern Regional Education Board has established these Goals for Education. They are built on the groundbreaking education goals SREB adopted in 1988 and on a decade-long effort to promote actions and measure progress. The new goals raise further the sights of the 16 SREB states and challenge them to lead the nation.

