



THE NATIONAL CENTER FOR
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Policy Alert

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QUICK LOOK ...

Key Issue

State policies must be assessed and updated to effectively support the success of students transferring from two- to four-year institutions to attain their baccalaureate degrees.

Primary Findings

- ★ Effective state policies are at the heart of baccalaureate success for students transferring from two-year to four-year institutions with the goal of achieving their degrees.
- ★ Ineffective state policies are a major contributor to the high rate of students who attempt but fail to complete the requirements to attain their degrees.
- ★ Two-four transfer has to be viable, because it has become the single most important means for low-income and minority students to attain their baccalaureates.
- ★ State policies differ more as a result of ignorance on how to achieve effective structure than from lack of willingness to support 2/4 transfer.

Questions That Must Be Answered

- ★ Two-four transfer is not equally successful in all states. Why?
- ★ What is the probability that students entering higher education through two-year institutions will achieve a baccalaureate?
- ★ Who are the students most affected by 2/4 transfer policies?
- ★ How can states with low 2/4 transfer success improve their track records?

The full report, *State Policy and Community College-Baccalaureate Transfer*, is available at www.highereducation.org

STATE POLICIES ON 2/4 TRANSFERS ARE KEY TO DEGREE ATTAINMENT

A recent study has uncovered a vital connection between effective state policies and the success of students who transfer from two-year to four-year institutions.

“Two-four transfer” refers to students who earn credit at a two-year institution and then enroll in a four-year institution, with the goal of achieving a four-year degree. Two-four transfer is rapidly becoming the most common route to the baccalaureate for a simple, sound reason: it costs less per student.

It is increasingly important that 2/4 transfers work effectively, because the baccalaureate degree is becoming the entry point to the workforce.

Nationwide, roughly 43 percent of students who begin their higher education at two-year institutions transfer at least once. Approximately half of these transfer students enroll in a baccalaureate program in a four-year institution.

However, because of ineffective state policies, the difficulties associated with 2/4 transfers may instead be discouraging students from attaining baccalaureate degrees.

STATE OPTIONS FOR IMPROVING SUCCESS

Jane V. Wellman, senior associate with the Institute for Higher Education Policy in Washington, D.C., and a consultant on research and policy issues, mined a cross-section of states to study the effectiveness of 2/4 transfer policies. Her result is a blueprint for states for improving their 2/4 transfer performance, including:

- ★ Developing baseline information;
- ★ Clarifying policies and plans;
- ★ Setting goals and measures;
- ★ Investing in core resources;
- ★ Performing statewide audits;
- ★ Forging agreements;
- ★ Boosting low-performing institutions;
- ★ Using financial aid as an incentive; and
- ★ Reeling private institutions into the fold.

COMMUNITY COLLEGES: GATEWAY OR BLOCKADE?

Community colleges will soon be the single largest sector in postsecondary education. Their enrollment rate has grown at a fast clip: almost 375 percent in a little over three decades.

(Compare that to about 103 percent for public four-year schools, and only about 72 percent for private four-year schools.)

A number of converging forces are pushing more students to enter higher education through the portals of two-year colleges:

- ★ The increasing number of high school graduates;
- ★ The increasing proportion of low-income and minority students;
- ★ Stricter admissions requirements at four-year institutions; and
- ★ Escalating college tuitions.

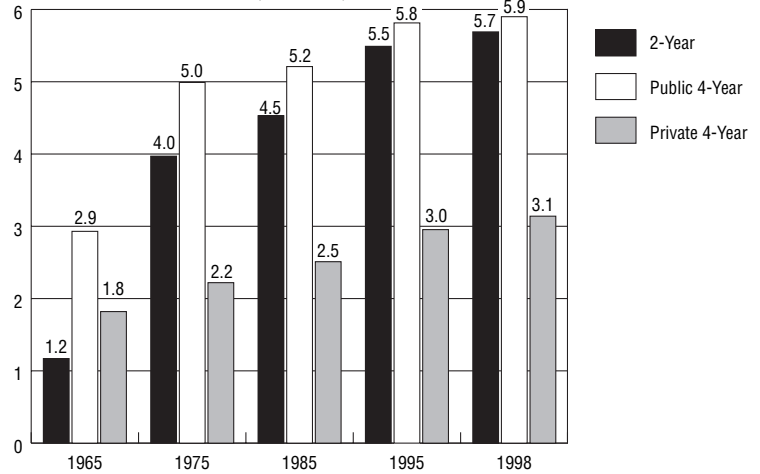
National data show that performance gaps among racial groups in the transition from high school to college have been narrowing. But the gaps widen again in baccalaureate completion (49 percent of Asian-Americans who complete high school attain a four-year degree; only 6 percent of Latinos do so). Why?

The biggest reason is that the majority of students of color who attend postsecondary education initially enroll in two-year community colleges. *They then fail to transfer to complete their four-year degree.* This points to faults with the 2/4 transfer policies.

With this red flag looming, state focus nationwide should be on policy priorities that ensure that 2/4 transfers are successful in bringing students to the baccalaureate.

But is it? If a qualified, motivated student enters a two-year program, is there a high probability that the student will transfer to a four-year program and attain the degree? Or is there more probability that the student will end up with a lesser credential?

Total Fall Headcount Enrollment in Postsecondary Education
(in millions)



Source: National Center for Education Statistics, 2001, table 173.
Note: Data labels rounded to the nearest 100,000.

DEMAND vs. FUNDING

For the first time since World War II, the demand for higher education and the opportunity to achieve the baccalaureate is greater than ever—while funding is at its lowest mark.

Two-four transfer is rapidly becoming the most common route to the baccalaureate because it costs less per student. Nationwide, roughly 43 percent of students who begin at two-year institutions transfer at least once. Only about half of these enroll in a baccalaureate program in a four-year institution.

State policy makers must take these trends seriously. Their reasoning should go something like this:

- ★ The demand for higher education is growing faster than funding.
- ★ Nationwide, enrollments are growing too fast for four-year institutions to accommodate.
- ★ Because costs are lower, policy makers are relying on community colleges to provide the first two years of higher education for increasing numbers of students.
- ★ Two-four transfer has to be viable, or we have to find other ways of getting more students to the baccalaureate.

“Nationwide, roughly 43 percent of students who begin at two-year institutions transfer at least once.”

SIX STATES SCRUTINIZED

Jane Wellman identified six states for intensive study to address state policy and 2/4 transfer. States were selected based on their grades for retention and degree completion in *Measuring Up 2000*, the state-by-state report card for higher education from the National Center for Public Policy and Higher Education (2000).

Three states, Florida, New York, and North Carolina, received high grades. The other three, Arkansas, New Mexico, and Texas, received low grades.

As a common bond, all six states have large public community college sectors and a significant proportion of low-income students. They differ in history, philosophy, funding patterns, and higher education policies. All six states rely heavily on 2/4 transfer as the access point to the baccalaureate for low-income students.

Their success in achieving diversity in enrollments varies widely. All have substantial disparities between racial and ethnic groups in retention and baccalaureate degree completion. All are struggling with the uneven quality of high school preparation for college.

Nevertheless, Wellman found that the factors that influence and support 2/4 transfer are largely within the control of the states and institutions working together.

LESSONS LEARNED

Wellman recognizes some recurring patterns in the states' approach to transfer policy. For comparison, state policies are identified as structural (affecting the overall approach to postsecondary education) and academic (specific to 2/4 transfer). The states show much in common in their academic policies. The structural side has larger differences, particularly in the connection between mission, planning, and accountability structures. What becomes clear is that the high performing states have stronger ties between their structural and academic policies and fewer gaps in their overall state policy approach to transfer.

RECOMMENDATIONS TO STATES

State policy can make a difference in the effectiveness of statewide 2/4 transfer performance. States with a comprehensive, integrated approach demonstrate a higher success rate in getting transfer students to the four-year degree.

As guidelines for reassessing and upgrading state 2/4 transfer policies, Wellman's report offers an eight-point program of recommendations:

- ★ Develop baseline information about statewide transfer performance, including retention and graduation of transfer students. Data on transfer performance are a prerequisite to improving transfer policy and effectiveness.
- ★ Clarify state policy and plans for 2/4 transfer, and set goals and measures for performance. Goals and measures should include two-year as well as four-year institutions. Design policies to meet the needs of the state and the students, rather than the institutions.
- ★ Identify and invest in core resources. Not all public two-year institutions need to have identical goals. States should focus first on campuses with weak transfer programs, and either improve the programs

Characteristics of the Six States						
	Arkansas	Florida	New Mexico	New York	North Carolina	Texas
Completion grade (composite grade, based on the four measures immediately below)	D+	B+	D-	A-	B+	D+
% of first-year community college students who return for a 2nd year	54%	61%	52%	62%	52%	41%
% of freshmen at 4-year institutions who return for a 2nd year	67%	80%	69%	78%	80%	73%
% of first-time/full-time undergraduates who complete a bachelor's degree within 5 years	32%	52%	30%	53%	56%	43%
Number of certificates, degrees, and diplomas awarded per 100 undergraduate students	15	18	12	19	19	14
Public community college enrollments as a % of total postsecondary enrollments	38%	55%	55%	29%	43%	51%
Number of enrollments in public community colleges	38,997	320,710	51,674	241,502	143,006	432,362
State grant aid targeted to low-income families as a % of Pell Grant aid	12%	14%	9%	92%	8%	13%
Expected % change in number of high school graduates by 2010 (compared with 1999)	-2.1%	26.4%	5.1%	9.1%	20.1%	11.7%

Source: National Center for Public Policy and Higher Education, 2000.
Note: Enrollments reported in Measuring Up 2000 differ slightly from those reported later in this report.

or earmark alternate sites where two-year students can satisfy their transfer requirements.

- ★ Perform statewide audits. States should ensure that transfer policies are consistent and that performance measures do not actually discourage transfer.
- ★ Forge articulation and credit-transfer agreements. States should develop common agreements between public two-year and four-year institutions to standardize transfer core curriculum.
- ★ Focus on low-performing institutions. States should partner two-year and four-year colleges with transfer improvement programs that aid institutions serving high numbers of at-risk students.
- ★ Use financial aid to promote 2/4 transfer. Create financial programs that include transfer students by not limiting years of enrollment or reducing awards for part-time students.
- ★ Include private institutions in both planning and accountability. Create financial and other incentives that encourage private institutions to recruit and retain 2/4 transfer students.

THE ACCOUNTABILITY PROBLEM

For years academics have struggled to gauge the health of transfer activity within community colleges. But no single measuring system can take into account all the forms of transfer activity. Also, researchers disagree about which students to count in the transfer base.

In this melee, two studies emerge as the most helpful in quantifying 2/4 transfer rates. They are the Transfer Assembly Project and the NCES Study of Alternative Transfer Rates.

“... larger disparities in transfer rates [exist] between institutions within states than between states!”

TRANSFER ASSEMBLY PROJECT

Based at the Center for the Study of Community Colleges at the University of California at Los Angeles, the Transfer Assembly Project has collected data on transfer rates for up to 24 states over 11 years. Its most recent study (2001) tracks students who first enrolled in 1995.

Its study calculates, from a base of all first-time community college students, the percentage who complete at least 12 units and who transfer to a public in-state university within four years. The trend data show a dip in transfer rates in the 1980s and a rise in the 1990s.

Their most important finding: larger disparities in transfer rates between institutions *within* states than *between* states!

NCES STUDY OF ALTERNATIVE TRANSFER RATES

This study from the National Center of Educational Statistics explored the results of using different populations of potential transfer students in calculating transfer rates. Published in 2001, the study focused on first-time students enrolling in two-year community colleges from 1989 to 1990.

The initial pool of students included all first-time enrollees as potential transfers. From there, limitations were imposed to define subsequent pools. The broadest pools contained the most diverse socio-economic profiles. Pools narrowed as the definitions of their populations became increasingly restrictive.

The NCES study showed that transfer percentages increased as the profile of the transferring population narrowed. Of all students who entered the two-year college with the expectation of completing a bachelor’s degree, only 36 percent transferred to a four-year school. But of those students who declared an academic major and took courses toward a bachelor’s degree, 52 percent eventually transferred.

Additionally, the study found that the least restrictive pools contained the largest proportion of students of color from low-income families.

Alternative Estimates of Transfer Rates		
Definition of Transfer-Eligible Pool	Pool as % of All First-Time Community College Enrollments	% of the Pool Who Transferred to Any 4-Year College within 5 Years
All first-time community college students	100	25
Expect to complete a bachelor's degree or more	71	36
Enrolled in an academic program	68	36
Enrolled continuously in 1989–90	63	37
Enrolled any time during 1990–91	62	38
Pursuing academic major and/or taking courses toward a bachelor's degree	43	43
Enrolled for 12 or more credit hours	36	40
Taking courses toward a bachelor's degree	25	45
Academic major and taking courses toward a bachelor's degree	11	52

Source: Bradburn and Hurst, 2001.

STATEWIDE DIFFERENCES IN 2/4 TRANSFER

By investigating a cross-section of states, Wellman shows that high-performing and low-performing states begin with similar basic approaches to transfer policy. For example:

- ★ All the states paid attention to the academic policy aspects of transfer.
- ★ All have comparable policies for core curriculum, articulation agreements, transfer of credit, and statewide transfer guides including web-based catalogs.

The key difference between high and low performance seems to lie in the statewide governance structure for higher education. The low-performing states have institutional governing structures. The high performing states have stronger statewide capacities for policy and performance.

“The key difference between high and low performance seems to lie in the statewide governance structure for higher education.”

WHERE ARE THE TRAPS?

Other pitfalls also came to light, including:

★ *What’s missing in the states’ approaches?*

None of the six states use all the tools of state policy to energize transfer. Though routinely including transfer as a priority for the community colleges, no state set clear goals for 2/4 transfer performance for all institutions or for the state as a whole.

★ *Accountability structures fall short.*

Accountability structures focus on two-year college transfer performance and ignore the responsibilities of the four-year institutions. The danger is that mechanisms in the four-year institutions may actually work against the transfer priority. One example is the requirement to report five-year retention and graduation rates. Two-year college students rarely complete the baccalaureate degree in five years. As a result, four-year institutions may shy away from serving transfer students, particularly if they are funded on the basis of degree performance.

★ *Transfer reporting is limited to public institutions.*

Most states are blind to the important role played by private schools in accepting transfer students. States should be vigilantly focused on the equity aspects of transfer performance, both as a policy priority and in their data reporting.

★ *Ethnic-minority groups lose out.*

Although high-performing states do a better job of retaining and graduating minority students, all states have major gaps among ethnic groups transferring prior to completing the baccalaureate degree.

★ *Financial incentives are underused.*

State aid programs designed for two-year college students are few. The high-performing states provide more in need-based aid, but their limits on awards for part-time students dilute the programs’ effectiveness in reaching community college students.

ENROLLMENT DIVERSITY—A WARNING PATTERN

As one measure of 2/4 transfer effectiveness, this six-state survey compared IPEDS (Integrated Postsecondary Education System) data for first-time freshmen enrollments in degree-producing institutions in fall 1991 with baccalaureate degree recipients in 1996–97.

The comparisons show how the states differ in the relative diversity of enrollments and in degree attainment by racial and ethnic groups. More importantly, there are disturbing and consistent patterns indicating that white students persist to the baccalaureate degree at higher rates than either African-American or Hispanic students.

Persistence by Racial and Ethnic Group				
Persistence = Baccalaureate degrees granted in 1996–97 divided by first-time freshmen in 1991				
	White Non-Hispanic	Black Non-Hispanic	Hispanic	Asian
ARKANSAS				
First-time Freshmen	16,289	3,402	130	195
Baccalaureate Degrees	7,568	981	62	128
Persistence	46	29	48	66
FLORIDA				
First-time Freshmen	54,775	13,303	11,988	1,955
Baccalaureate Degrees	32,447	5,300	5,817	1,618
Persistence	59	40	49	83
NEW MEXICO				
First-time Freshmen	7,068	555	5,319	214
Baccalaureate Degrees	3,845	155	1,842	111
Persistence	54	28	35	52
NEW YORK				
First-time Freshmen	108,673	20,877	16,538	8,716
Baccalaureate Degrees	65,723	9,381	6,760	7,227
Persistence	60	45	41	83
NORTH CAROLINA				
First-time Freshmen	40,444	12,401	504	778
Baccalaureate Degrees	26,422	5,797	382	789
Persistence	65	47	75	101
TEXAS				
First-time Freshmen	86,047	15,574	28,400	4,371
Baccalaureate Degrees	48,893	5,226	11,191	3,299
Persistence	57	34	39	75
NATIONAL				
First-time Freshmen	1,742,295	269,412	169,978	104,178
Baccalaureate Degrees	878,460	91,986	60,902	67,086
Persistence	50	34	36	64

Source: National Center for Education Statistics, 1991, 1997.

NATIONWIDE IMPLICATIONS

BACCALAUREATE KEY TO WORKFORCE ENTRY

Once a prize that put its holder in the upper echelons of the employable population, the baccalaureate is fast becoming *the* requirement to making a living wage. A high school diploma today has small value in the labor market. Attaining an associate degree garners an average 21 percent gain in wages. But the big gains go to those holding the baccalaureate degree: 31 percent higher average earnings. (Professional degree holders earn even more: 63 percent higher.)

Nationwide, 2/4 transfers are becoming the preferred route to higher education. Forceful financial and social factors are pushing more students into beginning their degree courses at community colleges. But many students who invest time, effort, and resources into higher education are still failing to gain that all-important four-year degree.

State policy can make a difference! States that have a comprehensive, integrated approach to 2/4 transfers do better than those that focus on transfer as an academic and institutional matter. No state is using all the tools available to energize transfer performance. States need policies that relate funding and accountability to academic strategies. Policy makers can benefit from a fresh look at student flow and transfer performance, and by studying the strategies of other states, especially those with high 2/4 transfer success.

ABOUT THE AUTHOR

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