College Board
Regional Meeting

February 23, 2009
Denver, Colorado

Presentation by:
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Interstate Commission
for Higher Education
(WICHE)

Déjà Vu All Over Again
Yogi Berra

Perfect Storm
or Perfect Opportunity
COLORADO’S PERFECT STORM

June 12, 2003
Presentation to Colorado Community College Board Planning Conference
David Longanecker
Executive Director, WICHE
The Story Six Years Ago

- Confluence of Three Massive Waves
  - Rising Demand for Higher Education
  - The Changing Demographics of This Demand
  - Constrained Finances
The Perfect Storm Story Today

- The Human Wave
- The Financial Wave
- The Wave of History & Tradition
The Human Wave

The Demographic Challenge (from Brian Prescott’s Presentation Yesterday)

- No single demand story
  - Growth (Arizona & Nevada)
  - Stagnation (New Mexico and Hawai‘i)
  - Declines (Wyoming and North Dakota)

- One story in change
  - Hispanic growth
The Human Wave

- Workforce Needs (the Dennis Jones story – NCHEMS)
  - U.S. is losing its international competitiveness
Differences in College Attainment (Associate and Higher) Between Younger and Older Adults—U.S. and OECD Countries, 2005

The Human Wave

- Workforce Needs  (the Dennis Jones story – NCHEMS)
  - U.S. is losing its international competitiveness
    - And The West Is The Reason
Differences in College Attainment (Associate and Higher) Between Younger and Older Adults—U.S., 2005

Source: U.S. Census Bureau, 2005 ACS
The Human Wave

- Workforce Needs  (the Dennis Jones story – NCHEMS)
  - U.S. is losing its international competitiveness
    - And The West Is The Reason
  - Returning to preeminence will take a lot
How Can the U.S. Reach International Competitiveness?

Current Degree Production Combined with Population Growth and Migration and Improved Performance on the Student Pipeline Measures

- Degrees Produced 2005-25 with Current Rate of Production: 40,605,747
- Additional Degrees from Population Growth: 1,255,167
- Additional Degrees from Net Migration of College-Educated Residents: 7,045,932
- Reaching Best Performance in High School Graduation Rates by 2025: 1,265,118
- Reaching Best Performance in College-Going Rates by 2025: 3,270,900
- Reaching Best Performance in Rates of Degree Production per FTE Student: 7,347,209
- Total Degrees Produced 2005-25 If All of the Above: 60,790,073
- Degrees Needed to Meet Best Performance (55%): 63,127,642

Source: 2005 ACS, PUMS
The Human Wave

- And We Haven’t Yet Figured Out How To Serve New Students Well.
Percent Educational Attainment of Population Age 25-64
By Race/Ethnicity—Colorado, 2005

Source: U.S. Census Bureau, 2005 American Community Survey PUMS File --NCHEMS
The Human Wave

- And We Haven’t Yet Figured Out How To Serve New Students Well.

- In Sum: This is a huge challenge -- Wave One
The Financial Wave

- The States Are In Trouble -- Dah
Projected State and Local Budget Deficits as a Percent of Revenues, 2013

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005
The Financial Wave

- The States Are In Trouble – Dah
- Stabilization helps, but ...
  - Can fill the gap up to ‘08 or ‘09
    - But, does financial aid count?
- And, what happens in 2012?
The Abrupt Return to Reality in 2012
The Financial Wave

- The States Are In Trouble – Dah
- Stabilization helps, but ...
  - Can fill the gap up to ‘08 or ‘09
    - But, does financial aid count?
  - And, what happens in 2012?
- And, can we quench our insatiable appetite?
Can we live with less?


Source: SHEEO, SHEF 2008
Collective Cost to States, Assuming:

Tuition Stays the Same

$31.0 Billion = Annual Costs of Additional Students at Current $ per Student

$78.2 Billion = Current State Contribution

39.7% = Percent Increase in Annual State Support Needed
Average Cost to Students, Assuming: **No Additional State Investment**

$2,565 = Additional Annual Costs to Students at Public Four-Year Institutions

47.9% Increase in Tuition and Fees

(Currently $5,355)

$1,824 = Additional Annual Costs to Students at Public Two-Year Institutions

108.8% Increase in Tuition and Fees

(Currently $1,677)
The Financial Wave

- The States Are In Trouble – Dah
- Stabilization helps, but ...
  - Can fill the gap up to ‘08 or ’09
    - But, does financial aid count?
  - And, what happens in 2012?
- And, can we quench our insatiable appetite?

- In sum, this is a huge challenge – Wave Two
The Wave of History & Tradition

- The Weight of History—Access’ Evolution in American Higher Education
  - Began as *Elitist*
    - Deepest Roots
  - Moved to *Meritocratic*
    - Deep Roots
  - Became Enlightened – *Egalitarian*
    - Shallow Roots

- *Which roots are easiest to pull up?*
The Wave of History & Tradition

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- In sum, this is a big challenge – Wave Three
The Perfect Story

- The Human Wave – Demographics & Workforce Demands
- The Financial Wave – Big Appetite/Smaller Plate
- The Wave of History – Do we really Believe in Access Deeply
The Human Opportunity
- Preparation is Improving
  - Achieve Report -- states stepping up
- Federal Efforts
  - Support of AP
  - Gear Up/State Scholars Initiative/ Academic Competitiveness Grants/ College Access Challenge Grants
- Higher Education is focusing on success
  - Lumina “Making Opportunity Affordable”
  - Gates $400 Million 16-26 Initiative
The Financial Opportunity

- From the Feds:
  - Pell increase protects access
  - Stabilization allows reasonable time to adjust to new paradigm
The Financial Opportunity

- From States:
  - More focus on outcomes & increased productivity
  - The return of *NEED BASED AID*
    - Oregon’s Shared Responsibility
    - Other Blended – need and responsible prep
  - Less “picking on higher education”
  - More policy “*intentionality*”
The Financial Opportunity

- Institutions:
  - Some radical ideas
    - Back to the Future – Baccalaureate Colleges
      - Nevada
      - Arizona
    - Embrace technology mediated instruction
      (Center for Academic Transformation)
  - Some less radical ideas
    - Improve remediation
    - Blend the transition from High School to College
The Perfect Storm or Opportunity

- Challenges are exceptional
- But so are opportunities
  - President Obama – “A Blue-Print for Change”
  - Rahm Emanuel – “A Crisis is a terrible thing to waste”
  - Dilbert – “Change is great; you go first.”
The Perfect Storm or Opportunity

The Choice Is Ours:

- We can sit, bitch, & moan,
- Or
- We can stand and deliver

Are we up to the task – turning these challenges into real opportunities?