WICHE
and
WASHINGTON
The Perfect Storm
A Half Century of Collaboration

1953: WICHE founded by U.S. Congress

1955: Washington becomes a member
Our Mission

To expand educational access and excellence for all the West’s citizens

By promoting innovation, cooperation, resource sharing and sound public policy

Thereby strengthening higher ed’s contributions to the region’s social, economic, and civic life.
Commissioners

- Don Carlson, state senator, Vancouver
- Marcus S. Gaspard, executive director, Washington State Higher Education Coordinating Board, Olympia
- Debora Merle, policy advisor for higher education, Washington Office of the Governor, Olympia

Legislative Advisory Committee Members

- Sen. Don Carlson, Vancouver
- Sen. Jeanne Kohl-Welles, Seattle
- Rep. Phyllis Gutierrez Kenney, Seattle
Washington & WICHE
Student Exchange Programs

Provide professional, undergraduate and graduate students with affordable access to out-of-state programs, while allowing states to fill excess capacity and avoid unnecessary duplication of programs.
Professional Student Exchange (PSEP)

- 13 Washingtonians are studying optometry and osteopathic medicine this year.
- Washington received 74 students from other WICHE states, as well as about $1.3 million in support fees.
Professional Student Exchange (PSEP)

- Today, 87 alumni are practicing optometry in Washington.
- About 70 percent of the state’s PSEP students return to Washington to pursue their professional careers.
Washington & WICHE

Student Exchange Programs

Western Undergraduate Exchange (WUE)

- More than 1,750 students enrolled in fall 2002.
- They paid: just 150% of resident tuition.
- They saved: about $8 million this year.
- Almost 650 students from other WICHE states enrolled in Washington.
Western Regional Graduate Program (WRGP)

- 47 Washington graduate students went to out-of-state institutions.
- They paid: resident tuition.
- Washington received 55.
Washington & WICHE

Other WICHE Programs

- WCET (Western Cooperative for Educational Telecommunications)
- Policy Analysis & Research
- Mental Health Program
- Consortium for North American Higher Education Collaboration (CONAHEC)
Washington’s Exceptional Story: The Perfect Storm

The Confluence of Three Huge Waves

Rising Demand for Higher Education

The Change in Who You Are Serving

Constrained Finances
Projected higher ed enrollment: up by 10% (2002-12) – over a quarter million students attending Washington institutions.

That’s on top of the recent 20 percent increase (1990-2000).

And for 2002/03? The headcount’s expected to include an additional 16,000 unexpected (unbudgeted-for) students.

WHY?
What’s pushing the wave?

1. Simple Demographics

- Projected 11% increase in high school grads from 2001/02 to 2011/12.
- Washington is the 2\textsuperscript{nd} largest state in the West.
2. Policy Goal – Greater post-secondary participation

- Increasing high school completion (*Measuring Up 2002: B- on Preparation*)
  - Washington – 71%
  - WICHE West – 70%
  - U.S. – 68%
Disparity within the State

18 to 24 Year Olds with a High School Diploma or Equivalent - 2000

Source: U.S. Census Bureau
2. Policy Goal – Greater post-secondary participation

- Increasing high school completion (*Measuring Up 2002: B- on Preparation*)
  Washington – 71%
  WICHE West – 70%
  U.S. – 68%

- Increasing share going on to college (*Measuring Up 2002: C- on Participation*)
  Washington – 46%
  WICHE West – 48%
  U.S. – 56%

- Associate degree production (per 100 H.S. grads)
  - Washington – 33
  - WICHE West – 23
  - U.S. – 19

- Baccalaureate degree production (per 100 H.S. grads)
  - Washington – 43
  - WICHE West – 44
  - U.S. – 49
So What?

- World leaders in higher education attainment:
  - Canada, Finland, Ireland, Japan, Korea

- Second Tier:
  - U.S., Australia, Belgium, France, Norway, Spain, Sweden, U.K.

Source: OECD Statistics, Annex 3 – Table 2.5
Consolation: You’re not alone

- California, Nevada, and Texas face much worse circumstances.
- Most of the rest of the West is right there with you.
The Second Wave – Those we serve will be harder to serve

An increasing share of higher ed’s population is coming from communities that higher education traditionally has not served well.

- Communities of Color will supply over a third of Washington’s high school grads by 2012 (up from 22% in ’02)
- Projected increase in Hispanic high school grads:
  - Going up – by 250%
  - They’ll be 17% of the high school grad population (up from 7% in ’02)
Historic success, or lack thereof, of Hispanic students in higher education:

- In the U.S.: 10.5% less likely to attend higher education
- A challenge for Washington: In 2000, Hispanics represented
  - 6.1% of the Washington population
  - 4.9% of full-time first-time freshmen
  - 4.3% of those awarded associate degrees
  - 3.5% of those awarded bachelor’s degrees
Historic success, or lack thereof, of low-income students in higher education

- In the U.S.: Participation drops from 27.5 to 23.1% (1999-2001).
- In Washington: that number is 23.8% - up from 16.9% (1992-2001)

**Good news:** 92% of state aid to undergrads is need-based, and the average grant is $386, the highest in the region.

**What’s more:** The number of Washington students taking AP exams is up. So is the number high school seniors taking and doing well on college entrance exams.
The Third Wave – Limited Resources

*What a difference two years make:* The dawning of the millennium – **the Best of Times.**

- Washington state appropriations grew by 17.2% between 1997/99 and 2001/03.

- Washington support for higher education grew by 23.6% in that time.

- Washingtonians’ personal income increased by 20% (1999-2003).
The Third Wave – Limited Resources

What a difference two years make:
The new millennium + two – the Worst of Times.

- In 2001/03, Washington faced a budget deficit of $1.8 billion. The 2003/05 budget deficit is projected to be $2.6 billion.
- Washington support for higher education grew by just 3.2% from FY2001-02, less than regional and national increases.
- If the past has been tough, the future will be tougher.
State and local surplus or shortfall as a percent of baseline revenues
Washington higher education finance policies are relatively good, but not good enough. Institutions lack financial capacity to increase enrollment capacity.

- State support is limited, and will likely remain so.
- Tuition leverage is relatively limited compared to other states, because already comparatively high.
Access could be at risk

- On demand, financial aid must be kept whole.
- On supply, the institutions must have the resources sufficient to sustain increased enrollment.
The Makings of *The Perfect Storm*

Increasing demand – a 10% increase.

Increasingly difficult-to-serve clientele.

Limited finances: Washington’s facing a 4.9% structural deficit.
Weathering the Storm

Planning is essential:

- Washington has a strong history of planning.
- Implementing the plan has been the challenge.
- The solutions for higher education lie both within and outside higher education in Washington – your revenue structure won’t support your current level of public services.
Interstate collaboration makes sense, if done smartly.

- Other states can help with unmet demand (i.e., WICHE’s WUE program)

- Other states can help Washington focus its resources (i.e., WICHE’s PSEP program)
Ok – so it’s not “the perfect storm.”

It’s still going to be a heckuva big wave to ride.