A Half Century of Collaboration

1952: WICHE founded by U.S. Congress

1955: California 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

- Francisco Hernandez, vice chancellor, University of California, Santa Cruz
- Herbert Medina, associate professor, Mathematics Dept., Loyola Marymount University, Los Angeles
- Robert Moore, executive director, California Postsecondary Education Commission, Sacramento

Legislative Advisory Committee Members

- Sen. Dede Alpert, San Diego
- Assembly Member Carol Liu, Pasadena
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.
California & WICHE

Student Exchange Programs

Professional Student Exchange (PSEP)

- 134 out-of-state students are enrolled in California programs from medicine and dentistry to law this year.
- 826 professionals supported through PSEP now practice in California, contributing to both its economy and its culture.
California & WICHE

Student Exchange Programs

Western Undergraduate Exchange (WUE)

- Nearly 1,230 students enrolled in fall 2002.
- They paid: just 150% of resident tuition.
- They saved: almost $5 million this year.
- 61 students from other WICHE states enrolled in California.
California & WICHE

Other WICHE Programs

- WCET (Western Cooperative for Educational Telecommunications)
- Policy Analysis & Research
- Programs & Services
- Mental Health Program
- Consortium for North American Higher Education Collaboration (CONAHEC)
California’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
The First Wave – Rising Demand

Expected growth of at least 24% from 2002-2010.

That’s over half a million more students.

Growth in 2002/03 alone: 53,500 more students.

WHY?
What’s pushing the wave?

1. Simple Demographics

- 9% increase in high school grads from 2002 to 2012: a boost of over 26,000.
- Most populous state in the country.
- And growing: Over half a million new residents arrive in a single year (2001-02).
2. Policy Goal – Greater post-secondary participation

- Desired increase in high school completion
  (*Measuring Up 2002: C- on Preparation*)
  
  In California – 71.3% of 18-24 year olds have a high school diploma

  In the U.S. – it’s 74.7%

- Desired increase in the share going on to college
  (*Measuring Up 2002: B+ on Participation*)

  California – 47.4%
  WICHE West – 48%
  U.S. – 56.1%

- Associate degree production (per 100 H.S. grads)
  - California – 25.4
  - WICHE West – 25.8
  - U.S. – 21.8

- Baccalaureate degree production (per 100 H.S. grads)
  - California – 41.6
  - WICHE West – 43.9
  - U.S. – 47.7
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

- Arizona, Nevada, and Texas are there with you.
- Most of the rest of the West is right behind.
The Second Wave –
Those we serve will be harder to serve

Increasing share of population from communities that higher education traditionally has not served well.

- Communities of Color: Will supply the overwhelming majority of high school grads – 71% – by 2012 (up from 58% in ’02)

- Projected increase in Hispanic high school grads:
  - A 67% increase (2002-12)
  - From 34% of the total to 47%
Historic success, or lack thereof, of Hispanic students in higher education

- In the U.S.: 10.5% less likely to attend higher education
- A heck of a challenge for California: In 2000, Hispanics represented
  - 34% of the California population
  - 22% of full-time first-time freshmen
  - 24% of those awarded associate degrees
  - 16% 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 California: that number is 22.2% – down from a high of 30% in 1996.

**Good news:** Modest increases in SAT/ACT and AP scores.
The Third Wave – Limited Resources

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

- California general fund appropriations grew by 45.2% between 1997/98 and 2002/03.

- California general fund support for higher education grew by 47.3% in that time.

- Californians’ per capita income increased by 3.6% (1996-2001).
The Third Wave – Limited Resources

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

- California faces projected budget deficits of $28 billion for ’03 and $35 billion for ’04.
- California’s support for higher education increased 1.2% in FY 2002-03.
- If the past has been tough, the future will be tougher.
State and local surplus or shortfall as a percent of baseline revenues

Source: National Center for Higher Education Management Systems (NCHEMS)
California higher education finance policies don’t “measure up.”

Institutions will likely lack the financial wherewithal to increase capacity sufficiently to match demand.

- Can state support increase by 24% or more?
- For every $1,000 of personal income, California spends $8.20 on higher ed today.
- California was 22nd in the nation in per-capita spending for higher ed (2002).
Your Strong Suit

- California is ahead of the West and the rest in need-based financial assistance.
  - State need-based aid
    - California - $318
    - WICHE average - $238
    - U.S. average - $316
- But will the budget deficit trump this success?
The Makings of *The Perfect Storm*

Increasing demand – 24% or more.

Increasingly difficult-to-serve clientele.

Limited finances: California’s facing a 2.5% structural deficit.
Weathering the Storm

Planning is essential: California’s Master Plan is an good start.

The solutions for higher education lie both within and outside higher education in California – your revenue structure won’t support your anticipated 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 California focus its resources (i.e., WICHE’s PSEP program)
To Weather the Storm, or Whether Not To? That is the Question.

“All students, from kindergartners through college graduates, are facing a brave new world. We need to have a set of principles and guideposts in place to direct future decision makers and priority setters. There is too much work to be done in all educational arenas for us to be able to afford to get it wrong. Our task, as we face the new century and its students, is ... to equip them to meet challenges that will exceed all our expectations.”

–Sen. Dede Alpert

And the answer is clear.