Déjà Vu All Over Again

Yogi Berra

Perfect Storm or Perfect Opportunity
The Story Five 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

- **The Colorado Story**
  - **High School Grads:**
    - Stable projection for next five years
    - Substantial change within the population
      - 7% decline in White Grads
      - 21% increase in Hispanic Grads
  - **Higher Ed Enrollments (FTE):**
    - 17% increase from ’98 to ’08
    - 2.5% increase from ’07 to ’08
- **Policies:**
  - Colorado Opportunity Fund adopted to increase access
  - Governor Ritter’s First Two Budgets Increased +15%
- The dilemma: tough times / policies that don’t work
# The Human Wave

## The Demographic Challenge

### The Wyoming Story

- **High School Grads:**
  - 11% projected decline over next five years
  - Substantial change within the population
    - 14% decline in White Grads
    - 18% increase in Hispanic Grads

- **Higher Ed Enrollments (FTE):**
  - 9% increase from '98 to '08
  - 2.2% increase from '07 to '08

### Policies:

- Healthy support for higher education
- Hathaway Scholars
The Human Wave

- Workforce Needs
  - 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
    - And Colorado and Wyoming are both part of the problem

  - 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

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

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 -- Duh
Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2016

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2009
The Financial Wave

- The States Are In Trouble – Duh

- Stabilization helps, but ...
  - Can fill the gap up to ‘08 or ‘09

- But, what happens in 2012?
The Abrupt Return to Reality in 2012
The Financial Wave

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


Source: SHEEO, SHEF 2008
But the average clouds big differences – Where Colorado & Wyoming Diverge

- Appropriations per student (2008/2008$)
  - U.S.: $7,044; 6% decline over ten years
  - Colorado: $3,801; 22% decline over ten years; 48th Nationally
  - Wyoming: $14,705; 28% increase over ten years; 1st Nationally
But the average clouds big differences – Where Colorado & Wyoming Diverge

- Tuition revenue per student
  - U.S.: $3,933; 20% increase over ten years
  - Colorado: $3,801; 22% increase over ten years; 30th Nationally
  - Wyoming: $2,200; 28% decline over ten years; 46th Nationally
But the average clouds big differences – Where Colorado & Wyoming Diverge

- Total Educational Revenue student (2008)
  - U.S.: $11,037; 1.3% increase over ten years
  - Colorado: $8,946; 2% decline over ten years; 47th Nationally
  - Wyoming: $16,904; 17% increase over ten years; 1st Nationally
The Financial Wave

- The States Are In Trouble – Duh
- Stabilization helps, but ...
  - Can fill the gap up to ‘08 or ‘09
- But, 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

Can We Change?

<table>
<thead>
<tr>
<th>The Case for Yes</th>
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<tbody>
<tr>
<td><strong>GI Bill</strong></td>
</tr>
<tr>
<td><strong>Community Colleges – the Unique American Invention</strong></td>
</tr>
<tr>
<td><strong>The Center for Academic Transformation – Carol Twigg’s Amazing Adventure</strong></td>
</tr>
<tr>
<td><strong>We already are a natural experiment</strong></td>
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Performance Relative to Total Funding per FTE –
Overall Index Scores for State Higher Education Systems (NCHEMS)
# The Wave of History & Tradition
## Will We Change?

<table>
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<th>The Weight of History—Access’ Evolution in American Higher Education</th>
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> *Which roots are easiest to pull up?*
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

- 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
Or The Perfect Opportunity

- The Human Opportunity
  - Preparation is Improving
- Higher Education is focusing on success
  - Lumina “Making Opportunity Affordable”
  - Gates $400 Million 16-26 Initiative
  - CAT’s Efforts
- A deep recession could help force the issue
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
    - Wyoming’s Hathaway Scholarships
    - Colorado – not so much
  - 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:

- Are we up to the task?