My Task

Where we are and How we got here

Including:

- A brief synopsis of higher education since ancient times
- The unique nature of higher education as a set of organizations
- And, where does IT fit into this?
Hypothesis:

Organizations resist change

And when they are forced to change, they demonstrate satisficing behavior rather than maximizing behavior!

Reactions today to Higher Education from Outside the enterprise.

- We’re too much like a business in pricing,
- And, too little like a business in management

- We’re too enamored of ourselves & our importance
  - Not everyone needs a college degree
  - Not doing the job on those we do serve
Reactions today from Within the enterprise.

- Nobody loves us anymore
- There is too much focus on linking higher education and the economy
- We’re going down
A short history of American Higher Education

Today’s Landscape

An Egalitarian notion
With an Individualistic Flare

• All who can should benefit
• But it’s up to them to do so
  • And, it’s their fault if they don’t participate or succeed
• This combo has made us fair and great
In the beginning – Act I: Elitism

- Appropriate for the sons of the intelligent class; those few who could truly benefit themselves, and who could benefit society.

- Independent of Government – and proudly so

Tradition alive today

- Honor elite institutions
- Honor elite students & faculty within non-elite institutions
- And strive to become to elite
The Mantra: Public Higher Education Is A State Responsibility, So Established in *The Constitution*

The Reality:
- Yes, the States were the first in – UVA, William and Mary
- But the Feds have been the principle catalyst for state action
Federal or State Leadership?

Despite *the Constitution*, the federal government has intervened, in its best interest.

- The Morrill (Land Grant) Act of 1862 – Created the Great American Research University
  - An Economic Development Initiative
- And later, evolved the Federal role in Research
  - 1930 – the National Institute of Health
  - 1950 – the National Institute of Science
- Why: It was “In The National Interest”
Federal or State Leadership?

And the States followed, establishing and supporting these great institutions, open to the *meritorious sons of farmers & mechanics*.

States also established “normal schools” to prepare the teachers to teach the students for these universities.
Act III: Rebuilding After the War

From the Feds:

The GI Bill of 1944
- Opened the flood gates
- But purpose was *Economic Development*

The National Defense Education Act of 1957
- Incentivized high school students to think college
- Purpose: National Security
Act III: Rebuilding After the War

And the States RESPONDED
- Expanded on Demand – Baccalaureate Level
- The Beginning of Mission Creep in Public Higher Education
Act IV: The Modern Era – the Egalitarian Movement

The Feds led:
- The Higher Education Act of 1965
  - Part of the Great Society Initiatives
  - The first real “social mobility” effort

And the States partnered
- Expanded size and mission of existing institutions
- Coming of age of the Community College

Bringing Us Back To . . .
A short history of American Higher Education

Today’s Landscape

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• All who can should benefit
• But it’s up to them to do so
  • And, it’s their fault if they don’t participate or succeed
• This combo has made us fair and great
Implementation of the Egalitarian Notion

- Instruction – state and student financed
- Research
  - Sponsored research – federally funded
  - Scholarly pursuits – state and student funded
- Student Assistance
  - Feds lead, states follow
- Recent trend
  - Away from most needy students (grants & targeted loans)
  - Toward the most desired students
    - Federal tax credits and expanded loan eligibility
    - State merit scholarships and tuition discounts
Egalitarian Notion hasn’t worked

Even if it had worked, it wouldn’t be enough for the future we face
Can We Get There From Here? Navigating The Perfect Storm.

- Wave One: Our Economic Competitiveness
- Wave Two: Who We Are – Can We Be Competitive
- Wave Three: What We Have in Resources to Commit to This Venture
The Liberal Borrowings

Knocking on the College Door (WICHE)

Beyond Social Justice (WICHE)


State Higher Education Executive Officers (SHEEO), SHEF Report, February 2010.
The Converging Waves

Wave One: Our Economic Competitiveness

Wave Two: Who We Are – Can We Be Competitive

Wave Three: What We Have in Resources
Relationship Between Educational Attainment, Personal Income, and Economic Strength

State New Economy Index (2002)

- **Top Tier**
- **Middle Tier**
- **Low Tier**

Source: NCHEMS
Differences in College Attainment (Associate and Higher) Between Younger and Older Adults - U.S. and OECD Countries, 2005

Differences in College Attainment (Associate and Higher) Between Younger and Older Adults - U.S., 2005

Source: U.S. Census Bureau, 2005 ACS
The White Caps on the First Wave

- We’ve Been A Leader
- But Slip-Sliding Away
  - Losing Ground:
    - Mixed Bag Nationally
    - Falling Internationally
  - One Size Doesn’t Fit All
    - Really Two Stories – The Haves & the Have Nots

And the Perverse Public Policy Response
- Question the data
- Fight for Immigration Reform (Less and More)
The Converging Waves

- Wave One: Our Economic Competitiveness
- Wave Two: Who We Are – Can We Be Competitive
- Wave Three: What We Have in Resources
Figure 3.9. Public High School Graduates in the West by Race/Ethnicity 1993-94 to 2004-05 (Actual), 2005-06 to 2021-22 (Projected)

WICHE Projections of High School Grads

Figure 3.11. Public High School Graduates in the Midwest by Race/Ethnicity 1993-94 to 2004-05 (Actual), 2005-06 to 2021-22 (Projected)

Figure 3.13. Public High School Graduates in the Northeast by Race/Ethnicity 1993-94 to 2004-05 (Actual), 2005-06 to 2021-22 (Projected)

Difference in Education Attainment Between Whites and Hispanics (2006, Percent)

Source: U.S. Census Bureau, 2006 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File. Via NCHEMS
Patterns of U.S. High School and College Participation and Completion by Age (Average Annual from 2005 to 2007)

High School Participation
- Earn High School Diploma or Equivalent – Levels off at Age 21

Undergraduate College Participation – Peaks at Age 19, Levels off at Age 30

Complete Undergraduate College Degree – Peaks and Levels off at Age 31

We are left with 13 percent of adults with no high school diploma, and 60 percent with no college degree.

Note: Includes associate and bachelor's degrees, but not certificates.
Source: U.S. Census Bureau, 2005-07 American Community Survey (Public Use Microdata Sample)
Those with whom we have succeeded are declining
Those with whom we have not succeeded are increasing
“Average” won’t sustain us, and may not even be achievable
And, One Size Doesn’t Fit All
- Really Two Stories – The Haves & the Have Nots
The White Caps on the Second Wave

And the Perverse Public Policy Response

- Mission Creep
  - More focus on research
  - More focus on the highest achieving
    - Merit aid (institutional and state policy)
    - Enrolment caps, allowing creaming
    - What Adults?

- Relative comfort with the status quo
  - Including whining – it’s all their fault
    - Students for not being “right”
    - States for not being supportive
    - Feds for not willing to give lots with nothing in return
The Converging Waves

Wave One: Our Economic Competitiveness

Wave Two: Who We Are – Can We Be Competitive

Wave Three: What We Have in Resources
Life could have been worse


Note: Net tuition revenue used for capital debt service is included in the above figures. All figures are adjusted by SHEEO Higher Education Cost Adjustment (HECA).

Source: SHEEO, SHEF 2009
Revenues Per Student from Net Tuition, State, & Local Appropriations Public Research

Revenues Per Student from Net Tuition, State, & Local Appropriations Public Masters and Baccalaureate

Revenues Per Student from Net Tuition, State, & Local Appropriations Public 2-Year

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

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2009 Via NCHEMS
Prospects look bleak for much more in the short term.
New Normal suggests a very different future than past.
Triage often sacrifices the most vulnerable
The White Caps on the Third Wave

- And the Perverse Public Policy Response
  - A stimulus package that discouraged innovation and change
  - A funding structure that inadequately supports “access” and “efficient” institutions
  - Mission creep, which reduces teaching productivity
  - Tax cuts
Demographics present a challenge, all else being equal.

The finances are perilous.

We have been educationally competitive, which has made us economically competitive and comparative just, but:

- We're slipping
- And the good life has not been equitably distributed
- Public Policy inconsistent with the times or their needs
Or, the Other U.S. Story – Three Real Opportunities

Opportunity One: Our Economic Competitiveness

Opportunity Two: Our Changing Demographics

Opportunity Three: Our Revenue Base
Opportunity One: Our Economic Competitiveness

- We remain the wealthiest country in the World. We have “the financial capacity”
- Some Positive Policy Trends
  - Benchmarking to Global Indexes
Opportunity Two: Our Changing Demographics

- We start from a reasonably successful base, over all.
- Improvements in serving students of color, particularly Hispanic students, will reap huge benefits.
Opportunity Two: Our Changing Demographics

- Positive Policy Trends
  - Pay for Outcomes
    - Evidence based
    - Many focused on reducing the Gaps
  - Renewed focus on smart need-based student financial aid
  - Less is More in the Curriculum
  - Reinvention of the Education Production Function (NCAT)
  - Federal Initiatives – SAFRA & AGI
  - Adult Students recognized as an asset
Opportunity Three: Our revenue base

- Seems Dire
- And Is Daunting
- But reason for optimism
  - Room for improvement in productivity
Productivity: Total Funding per Degree/Certificate (Weighted*, 2006-2007)

*Adjusted for value of degrees in the state employment market (median earnings by degree type and level)

Sources: SHEEO State Higher Education Finance Survey 2008; NCES, IPEDS Completions Survey; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)
Opportunity Three: Our revenue base

- Seems Dire
- And Is Daunting
- But reason for optimism
  - Room for improvement in productivity
  - A forcing event for change – we must **React**
  - There will be a recovery
  - And there is **capacity**
State Tax Capacity & Effort
Indexed to U.S. Average

Source: State Higher Education Executive Officers (SHEEO)
This Better Story – Three Real Opportunities

We Know How To Do This Better

- TECHNOLOGY AS A CORE ASSET, NOT AN ACCOUTERMENT
  - As a Shared Resource
    - Broadband Infrastructure
    - Data base development
    - Instruction
    - Research collaborative activities
  - Administrative Services
    - Purchasing
    - Service Delivery (Administrative Platforms)
  - As an Institutional Resource
    - You know the story – admin, instruction, etc.
The Colorado Story – *Three Real Opportunities*

*Enough Already*