The Wellington Group

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Student Financial Contributions and Financial Aid:

What’s Up In America
Access the American Way

- In the beginning, access was not a public goal. American higher education was an elitist system.
- Access became a “public” goal in the mid to late 19th century.
  - Geographic access
  - “as free as possible” – low tuition
  - Financial Aid as a public access tool evolved in the mid-20th century
The TRIAD on Access – A cogent philosophy for the times.

- Geographic access
  - U.S. invented the community college to ensure geographic accessibility.
- Low tuition – a worthy public investment
- Financial aid
  - Grants for the poor – to remove financial barriers (cash poor)
  - Loans for the less poor – to reduce financial burdens (cash flow)
SUCCESS ON ACCESS ERODED
EFFICACY OF THE TRIAD

- Geographic access did not ensure success
  - If you build it, they will come
  - But will they succeed?
    - Progression rates low by international standards

- Low tuition limited supply, as demand grew
  - Limits in public resources limited “per student” funding
  - Left tuition as the revenue gap filler
SUCCESS ON ACCESS ERODED
EFFICACY OF THE TRIAD

- Financial Aid Strategy wasn’t working well.
  - Subsidy structures evolved to help those who vote
    - From Grants to Loans & Tax Benefits
    - Amounts grew, but not as rapidly as college costs or eligibility
  - Original access agenda lost momentum
    - “More is better but never enough” case got old
    - Students weren’t succeeding
    - Other public agendas began to take hold

- A new business model was taking hold in American higher education – *Privatization*
THE 1990s: ERA OF TUITION HIKES AND MERIT AID

- The wealth of the 90’s drove policy
- Tuition increased, because it could
- State support increased, because it could
- Students paid, because they could
- More students went, because they could
THE 1990s: ERA OF TUITION HIKES AND MERIT AID

- The advent of merit aid
  - it promised:
    - Greater participation by the middle-class
    - Holding power on *the best and the brightest*
  - On access
    - Didn’t undercut need-based aid (usually)
    - Serendipitously helped many access students
The New Millennium – A Sobering Time

- The shock of the economic downturn
  - Financial access eroded
    - Tuition increased
    - Aid did not
    - Enrollments began to erode
The New Millennium – A Renaissance of Sorts.

- The new access to success agenda -- redefining need-based aid.

  - Recent benevolence of the “have” institutions
    - A drop in the bucket from those with a bucket

- Reemergence of focus on need
  - The West – 15 States
    - Two states were already there – California and Washington
    - Two more have emerged – Wyoming & Oregon
    - Three think they are there but aren’t – Nevada, New Mexico, and Colorado
    - 11 of fifteen engaged or reengaged
The New World: Blended replacement for merit & need

- Direct *BLEND*ED Programs
  - Indiana 21\textsuperscript{st} Century Scholars
  - Oklahoma OLAP

- Indirect *BLEND*ED Programs
  - Oregon *Shared Responsibility/Earned Opportunity* Program
The New World: Policies In Sync

- Finance Policies
  - Intentionally integrating institutional appropriations, tuition, and financial aid policies

- Academic Policies
  - Early intervention
    - GEAR UP
    - Academic Competitiveness Grants
    - State Scholars Initiative
    - Harmonizing High School Exit & College Placement Exams
A Brave New World

- Blending Academic Preparation and Targeted Financial Support

- The Missing Link—Financing Adult Learners
  - The same philosophy doesn’t/won’t work

- STUDENT FINANCIAL CONTRIBUTIONS & FINANCIAL AID – AN INCOMPLETE AGENDA