The Public Agenda for Higher Education

The Story of the West

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The Context: *What Makes The West Unique*

- Competitiveness
- Demographics
- Finances
- Productivity
The Context: *What Makes The West Unique*

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Difference in College Attainment between Young Adults (25-34) and Older Adults (45-64), 2011

Source: U.S. Census Bureau, 2011 American Community Survey
The Relationship Between Educational Attainment, Personal Income, and the State New Economy Index (2010)

Percent of Adults 25 to 64 with College Degrees (2009) vs. Personal Income per Capita (2010)

- High College Attainment, Low Personal Income
- High College Attainment, High Personal Income
- Low College Attainment, Low Personal Income
- Low College Attainment, High Personal Income

Source: U.S. Census Bureau, 2010 American Community Survey; Bureau of Economic Analysis; Kauffman Foundation
The Context: *What Makes The West Unique*

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Composition of Public Higher School Graduates By Race/Ethnicity 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)
Composition of Public Higher School Graduates By Race/Ethnicity 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)
Difference in College Attainment Between Whites and Minorities (Blacks, Hispanics, Native Americans) (2008-10)

Source: U.S. Census Bureau, 2008-10 American Community Survey
The Context: *These Interesting Times*

- Competitiveness
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Figure 3
Public FTE Enrollment and Educational Appropriations per FTE, U.S., Fiscal 1987-2012

Note: Net tuition revenue used for capital debt service are included in the above figures. Constant 2012 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

Source: State Higher Education Executive Officers
Educational Appropriations per FTE Percent Change by State, Fiscal 2007-2012

Note: Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix Index.
Total Educational Revenue per FTE Percent Change by State, Fiscal 2007-2012

Note: Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix; total educational revenue excludes net tuition revenue used for capital debt service.
Competitiveness

Demographics

Finances

Productivity

The Context: What Makes The West Unique
### National Student Clearinghouse Information on Student Completion in Six Years

<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Hanging Around</th>
<th>Gone For Good (or not)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Universities</td>
<td>61%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Private Colleges &amp; Universities</td>
<td>72%</td>
<td>9%</td>
<td>19%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>37%</td>
<td>19%</td>
<td>44%</td>
</tr>
</tbody>
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In Sum: *The Western Story*

We’re *Competitive* but . . .

Our *Demographics*, they are a changing – *the Past is not Prologue*

There is a *New Normal* for Higher Education Finances

We have real issues with respect to *Productivity*
The Change Agenda: These Interesting Times

Five Thrusts of the Change Agenda
Policy & Practice

- **The completion agenda**/Expanding the concept of student
- **The productivity agenda**/Student Learning Outcomes, Reducing Production Costs, Competence versus Seat Time
- Innovation & disruption
- **The new normal for funding**
- Accountability/Governance/Authorization
The Completion Agenda – Access to Success

- The President’s Challenge
  - First in the World Again
  - Meet our Workforce Needs
  - 65% of Young Adults – some postsecondary credential of value – 2020
- Lumina
  - 60% by 2025
- Complete College America -- 32 States
- Angst
  - Do we really need to get there?
  - Can we get there from here?
  - Will quality suffer?
- Implications for State Government
  - Fact Based Goal Setting
The Completion Agenda -- Expanding the Concept of student

- Looking down
  - Early learning high schools (the Gates redesign)
  - College/Postsecondary in all high schools (AP, dual & concurrent enrolment, IB, CTE)
  - Improving Preparation
    - Common Core
    - Reinventing Remedial – The High School as partner
- Looking up
  - Adult College Completion – low hanging fruit
  - New Adult Focus – A mighty heavy lift
    - The new GED (s)
- Redefining college
  - The “course level” movement
  - Demonstrated competence (more to come)
- Implications for State Government
  - “Foster” change, don’t “accept responsibility”
The Productivity Agenda
Student Learning – the new name of the game

- A good idea whose time has come
  - Acceptance with Academe has “evolved”
  - “Evidence based practice” has caught on in public policy
    - Analytics can support evidence based practice (CLA, CAAP, ETS Proficiency Profile, AHELO, Work-keys, etc.)
    - Being Supported financially – Lumina’s DQP & Tuning work
- Angst
  - Whopping big change – moving to external validity
  - Still sorting out right respective roles -- Teacher’s role, Institution’s role, Governing board’s role, Government’s role
- Implications for State Government
  - Fits better in regulatory environment (accountability) than in funding formulas
  - If funded; provide incentive funding, not sustaining funds
The Productivity Agenda
Reducing Production Costs

- Recognize Production Gains That Have Occurred
- Beware of promises of something for nothing
- But recognize the “cost disease” in higher ed, and the need for reform

- Implications for State Government
  - Invest new dollars in productivity enhancements, not same old, same old
  - Use measures of productivity (cost per unit of outcome) rather than measures of effort (cost per unit of input or process)
  - Foster productivity enhancement top to bottom
  - Measure success, and adjust as necessary
The Productivity Agenda
Competence – the new coin of the realm

- Competency Assessment for Student Sake
  - Transfer and Articulation – Trusting the community
    (Transfer Passport – credit hours or competency)
  - Demonstrated college level learning outside the Academy
    - Standard measures – CLEP, testing out, etc.
    - Prior Leaning Assessment – PLA

- Competency Assessment for Institutions Sake
  (Educational Improvement & Credibility)
  - Predictive Analytics
  - Degree Qualifications Profiles, Tuning

- Implications for State Government
  - Follow closely; think in terms of funding implications
  - Policy audit: are you “competency friendly”
Innovation & Disruption are good (everything else is boring)

- The list (partially)
  - New providers of degrees
    - The expansion of the for-profit sector & WGU
    - The expansion of on-line
  - New providers of courses & services
    - MOOCs
    - Courses only – Straighter Line, DreamDegree, etc.
    - Support services only – Insidetrack, Kahn Academy, Smarthinking, etc.

- Implications for State Government
  - Support innovation; don’t impede it
  - Beware of promises of something for nothing
  - Demand evidence of effectiveness
The New Normal for Funding

- Why a new normal & not return to the old normal
  - Can’t afford the old normal
    - Hyper-inflationary model is unsustainable (unaffordable)
  - Shouldn’t afford the old normal

- What the new normal will look like
  - Performance funding is the wave to be on
    - Makes sense at the state level
      - HCM Strategists: 16 implementing, 3 in transition, 19 in discussions, & 12 not engaged
    - Seeping into institutional finance – RCM
The New Normal for Funding

- What the new normal is beginning to look line
  - Performance funding isn’t the only new dog in the hunt
- Expenditure strategies
  - The cheap way out -- $10,000 degree
  - Outsourcing
    - WGU expansion
    - Coursework outsourced
  - Enrolment Management
- Revenue enhancement strategies
  - Chase rich students
  - Chase any students
  - Rethink tuition discounting & financial aid
- Implications for State Government  -- see previous slide
Accountability

Moving from “reporting” to “delivering”
- Benchmarking and/or Continuous improvement
- Beware of rates rather than numbers

One size doesn’t fit all
- Performance funding has great potential
- Still role for regulatory oversight
Governance – four themes
- The Grass Must Be Greener (California, Oregon, Washington)
- From Lay Governance to Executive Function (Colorado, Ohio, New Mexico, Oregon)
- All One System (Florida, Oregon, Washington)
- From being institution focused to student focused (Oregon, Washington)

Implications for State Government
- Beware – one size does not fit all
- Governance change is seldom the answer
Authorization

A State Responsibility/consumer protection
  With 50 Versions
Worked before on-line
Not so much

CSG led effort has created a solution
  Four regional compacts will collaborate nationally

Role of State Government
  Decide whether or not to join (voluntary)
Assure statute allows
Support high standards required
The Change Agenda: *Summing it all up*

- The times they are a changing
  - The way we provide education is changing
  - Who we educate is changing
  - They way we assess the quality of our enterprise is changing
  - The way we finance the enterprise is changing
- So,
- Be Aware
- Be nimble
- Be ready to change, even if you are already good
- And, make your change based on evidence, not hunches

*Thanks*