The Seven Wonders of Higher Education in the West

Formal opening of the conference with an overview of higher education opportunities in the West

- Impact of globalization on the region
- Challenges and opportunities for collaboration

The Seven Wonders

1. Affordable and Accessible Higher Education
2. Diverse and Inclusive Student Body
3. Innovative and Integrated Curriculum
4. Sustainable and Resilient Institutions
5. Strong and Engaged Community Partnerships
6. Empowering and Equitable Faculty Development
7. Secure and Sustainable Funding Model
Western Wonders

#1

Montana State University
Western Wonders

The Great Land-Grant College Movement
Western Wonders

#3

The Great American Invention – The Community College
Western Wonders

The Diversity of our wonderful American version of Higher Education
Western Wonders

#5

Virtual Higher Education
Western Wonders

#6

Intercollegiate Athletics
Western Wonders

#7

The Great Research Engine
Wonder I: I wonder if states - if Western States - will be able to afford higher education as a “Public Good”?

- Higher Education’s “legitimate” hyper-inflationary cost structure.
  - HEPI and HECA both exceed CPI
    - High skill/high wage industry
    - The bleeding edge argument

- The demand function
  - All else being equal,
    - Will see substantial growth, on average, and
    - Exceptional growth, in specific areas
Demographic growth will range from a wish, to manageable, to a challenge.

Percent Change in Number of Public and Nonpublic High School Graduates by State, U.S., 2001-02 (actual) and 2017-18 (projected)

Wonder I: I wonder if State Government is capable of supporting this as a public good?

- Can we afford this?
Total Educational Funding per FTE, Percent Change by State, FY 1991-2004

Notes: Total Educational Funding is the sum of Educational Appropriations plus Net Tuition Revenue. Constant 2004 dollars adjusted by SHEEO HECA.

Source: SHEEO SHEF
Recent History Is Not The Same

*Figure 6*

Public Higher Education Appropriations per FTE
Percent Change by State, Fiscal 2001-2005

- Colorado: -35.9%
- Georgia: -18.2%
- Iowa: -13.3%
- Mississippi: -10.5%
- North Dakota: -7.8%
- Illinois: -4.9%
- California: -3.7%
- Texas: -2.6%
- Florida: -1.8%
- Washington: -0.4%
- Oregon: 0.1%
- Washington, D.C.: 2.1%
- U.S.: 5.0%
State appropriations per FTE for the region fell below the U.S. average appropriation until FY 2003 and FY 2004.
The Financing Context: Structural Deficits for Everyone

State and local surplus or shortfall as a percent of baseline revenues

Source: National Center for Higher Education Management Systems (NCHEMS)
Wonder I: I wonder if State Government is capable of supporting this as a public good?

- Can we afford this?
- In triage, do we let “the market” deal with higher education?
- Are there “more efficient” means to building a high-skill/high-wage workforce?
Wonder II: I wonder if folks will be able to afford college?

- The Pessimists’ View:
  - As reflected in *Measuring Up 2004*
    - Most states deserve “F” on affordability
  - We’re losing ground
    - Tuition is up
Figure 14: Tuition and fee revenues in the West accounted for 26.6% of total revenue from appropriations and tuition and fees in 2004 compared to 21.9% five years earlier.
The share of household income that goes to tuition and fees has increased dramatically over the past decade.
Wonder II: I wonder if folks in the West will be able to afford college?

- The Optimists’ View:
  - Maybe this is an appropriate *market correction*.
    - ROI for individual is substantial
    - Demand has not eroded
  - And, maybe the increases aren’t really increases.
    - Some research shows not much change (Mundel, McPherson & Shapiro)
    - Most research ignores some resources (ie. Tax credits).
  - Three years don’t make a trend (especially when they are unique years.
Wonder II: I wonder if folks in the West will be able to afford college?

- The Optimists’ View: The West Is Comparatively Good
  - 2 Year Rates in 2004-2005
    - WICHE: 2,028
    - U.S.: 2,076
  - 4 Year Tuition & Fees
    - WICHE: 3,673
    - U.S.: 5,132
Mixed Signals on Financial Aid

State-need based grant aid per FTE has increased in the region and the nation over the past year.
Wonder III: I wonder if American higher education is capable of increasing productivity & effectiveness?

- Strategy of recent past & near future – Community Colleges
  - Effective at cost shifting
  - Less effective at productivity

- Technology as the Answer
  - Yes, as a part of the solution
    - The Pew Center for Academic Transformation
    - Great promise for remediation
    - Expands both access and convenience
  - No, not the whole answer
    - Not a cheap fix, if done right
    - The collegiate experience is still desired (and not just by the well to do)
Wonder III (continued): Can American higher education change enough to stay contemporary?

- Mission Creep
  - Disease?
  - Or inevitable “advancement”?

- Who’s The Culprit
  - Leaders who want to make a difference
  - Communities – build it and they will come
  - State Government – mine is better than yours
Wonder IV: I wonder if we add advantage or simply filter some folk out?

- Graduation Rates (Percentages) – 2003
  - 2 Yr  4 Yr  Doc

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Wonder V: I wonder if we’re doing a good enough job?

- “American Higher Education is the envy of the world.”
- Evidence today – on dual dimensions of quality
  - On quality of the product
    - Instruction
      - We simply don’t know – don’t measure comparative student learning
    - On throughput, we stink
  - On Research
    - Still the Best
    - But also the target (China, Korea, England, Canada, etc. have ambitious goals)
Percent of Adults with an Associate or Higher Degree

OECD Countries

25 to 34
45 to 54

Source: Organisation of Economic Cooperation and Development, American Community Survey
Differences in College Attainment (Associate and Higher) Between Young and Older Adults—Percent of Adults with College Degrees

Source: U.S. Census Bureau, 2000 Census
How do the numbers compare?

College graduates this past year:

- **U.S.**
  - Total college graduates: 1.3 million
  - Engineering Graduates: 70,000

- **India**
  - Total college graduates: 3.1 million
  - Engineering Graduates: 350,000

- **China**
  - Total college graduates: 3.3 million
  - Engineering Graduates: 600,000

Source: Geoffrey Colvin, Fortune Magazine, July 20, 2005; via SHEEO
Wonder V (continued): Are we doing good enough?

Our Challenge

- Status Quo won’t do in a global economy and world
- “Essentialist” philosophy
  - Requires educating more, and more difficult to educate, and doing so better.
- And, that will require PUBLIC resources
Wonder VI: I wonder how we’ll know whether we are accomplishing our objectives or not?

- Accountability is key, but not well done today
  - Institutions as the problem
    - Confuse data for information
    - Confuse reporting with performance
    - Don’t like pay for performance (except enrollment)
  - Policy-Makers as the problem
    - Enamored of process factors, not outcomes
    - Lack data bases to support an outcomes based accountability system.
- Promising activities
  - SHEEO National Commission on Accountability
  - Prospects of a National Student Record Data Base
  - NCPPHE Report on Measuring Student Learning
  - Secretary Spellings National Commission
Wonder VII: I wonder if quality and equality are compatible public policies for higher education?

- What do you think?
- Are we up to the task?
- And what if we aren’t?