How Colorado Higher Education Measures Up

Colorado Commission on Higher Education Annual Retreat

August 13, 2007
Vail, Colorado

David Longanecker, Executive Director
Western Interstate Commission for Higher Education (WICHE)
Colorado Commission on Higher Education
Annual Retreat

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How Colorado Higher Education Measures Up

IF CHALLENGES ARE OPPORTUNITIES, YOU ARE IN FOR QUITE A JOYOUS RIDE
How Colorado Measures Up: On Academics

The Good News – Colorado is relatively well educated.
Percent of Population Age 25-64 with an Associate Degree or Higher, 2005

Source: U.S. Census Bureau, 2005 American Community Survey (ACS) – NCHEMS
Percent of Adults with an Associate Degree or Higher by Age Group—Colorado, the U.S. and Leading OECD Countries, 2004

Source: Education at a Glance 2005, OECD -- NCHEMS
How Colorado Measures Up: On Academics

The Good News – Colorado is relatively well educated.

Important – Colorado’s labor requirements will require it
Projected Percent Change in Occupations Requiring Some Postsecondary Training, 2002-2012

Note: Some college, Associate, Bachelor’s and higher.

Source: ACINet, Career InfoNet -- NCHEMS
How Colorado Measures Up: On Academics -- The Rest of the Story

- On Student Learning
  - ?
- On Participation and Success
  - Pretty average
Student Pipeline, 2004

Of 100 9th Graders, How Many... 

- Graduate from High School: 91.3 (Best Performing State), 69.7 (United States), 73.2 (Colorado)
- Directly Enter College: 57.3 (Best Performing State), 38.8 (United States), 42.3 (Colorado)
- Enroll in Second Year: 42.0 (Best Performing State), 26.9 (United States), 28.1 (Colorado)
- Graduate Within 150% of Program Time: 27.3 (Best Performing State), 18.4 (United States), 20.4 (Colorado)
- Age 25-44 with Bachelor's Degree: 42.3 (Best Performing State), 29.7 (United States), 36.4 (Colorado)

Source: NCES Common Core Data, IPEDS Residency and Migration Survey, IPEDS Enrollment Survey, IPEDS Graduation Rate Survey -- NCHEMS
How Colorado Measures Up: On Academics -- The Rest of the Story

- On Student Learning
  - ?
- On Participation and Success
  - Pretty average
- On Research
  - Exceptional
How Colorado Measures Up: On Academics -- How Is This Possible?

How Does: Average (or below average, in funding) Lead To Best?

The Colorado Paradox
Migration Rate* of College-Educated Residents Age 22-64—Associate and Higher, 1995-2000

* Per 1,000 residents age 22-64 with college degrees.

Source: U.S. Census Bureau, PUMS (based on 2000 Census) -- NCHEMS
Percent of Residents Age 25-64 with a Bachelor’s Degree or Higher Born In-State, 2005

Source: 2005 ACS - NCHEMS
Migration Rate* of Residents Age 22-64 with Less than a High School Diploma, 1995-2000

* Per 1,000 residents age 22-64 with less than a high school diploma.

Source: State Higher Education Officers (SHEEO) -- NCHEMS
How Colorado Measures Up: On Academics -- How Is This Possible?

How Does: Average Lead To Best?

The Colorado Paradox

Let others educate the Colorado Work Force

Let the children of others benefit from Colorado’s Strong Economy
How Colorado Measures Up on Demographics

- The Challenges
  - Substantial Gaps in Equity of Outcomes
  - Significant Growth
  - With Virtually All Growth from Populations Traditionally Underserved
  - And Enrollment Policies and Practices That May Exacerbate This
State estimated population = 4,722,755
Front Range = 81.9%

Source: U.S. Census Bureau Population Estimates - NCHEMS
Population Projections—Percent Change, 2000-25

Source: U.S. Census Bureau -- NCHEMS
The Growth in Demand for Postsecondary Education

Figure 4. Colorado Public High School Graduates by Race/Ethnicity
1987-88 through 2001-02 (actual), 2002-03 through 2017-18 (projected)
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
How Colorado Measures Up on Demographics

- The Challenges
  - Substantial Gaps in Equity of Outcomes
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Enrollment Policies That May Exacerbate This

- **The Original Concept:**
  - Selective/Highly Selective: Top Quartile
  - Moderately Selective: Next Third
  - Open Admissions: The Rest – About 40%

- **Current Policy/Practice:**
  - Selective/Highly Selective: Top 30%
  - Moderately Selective: Less Than 10%
  - Open Admissions: 65%
How Colorado Measures Up on: Finance

- The Good News
  - Colorado Is A Wealthy State
Personal Income Per Capita, 2005

Source: Bureau of Economic Analysis, U.S. Census Bureau -- NCHEMS
How Colorado Measures Up on: Finance

- The Good News
  - Colorado Is A Wealthy State
  - And Higher Education Is Affordable (on average)
    - Below Average tuition by sector as a share of peer institutions (CCHE/NCHEMS Study)
      - Community Colleges: 80%
      - Four-year Institutions: 64%
      - Research Universities: 86%
How Colorado Measures Up on: Finance

- But Averages Don’t Tell The Whole Story – Colorado Lags in Financial Assistance
  
  **U.S.**: $446
  **WICHE**: $386
  **Colorado**: $274
  **Colorado rank**: 26th
Good finance policy: Allocations make higher education affordable

- Very affordable for the State
State & Local Public Higher Education Support per Full Time Student (NCHEMS/SHEEO)

Source: State Higher Education Executive Officers (SHEEO)
State & Local Support for Public Higher Education per $1,000 of Personal Income (NCHEMS/SHEEO)
So What makes good finance policy

Resource allocations reinforce the State’s priorities

- Resource allocations make higher ed affordable
  - To students, and
  - To state
- Resources sustain (and may even enhance) institutional capacity
- Resource allocations are fair
  - Shared contributions reflect shared benefit
- Resource policies are transparent
  - Legislators and Governor understand them
  - Citizens understand them
  - Providing institutions understand them
- So, how does Colorado stack up?
Good finance policy: Sustaining/Enhancing Institutional Capacity—The Supply Side of the Equation

- Funding is inadequate to sustain, let alone enhance institutional quality or accessibility
- Combined Appropriation, Tuition and Fee Revenue Compared to Peer Institutions (CDHE & NCHEMS)
  - Community Colleges: 69%
  - Four-year Institutions: 58%
  - Research Universities: 64%
- Additional amount necessary from All Sources to achieve parity with peers: $843 million (in 2007 dollars).
- Progress in this last legislative session (FY 2008):
  - $44 million increase in appropriation for operating expenses
  - $60 million increase in tuition & fees revenue
  - $30 million increase in capital
  - Good, but . . .
Good finance policy: Fair Allocations

- The Balance Between Institutional and Student Support.
  - Both roughly equally under-funded
    - Need-based financial aid at *a little more than half* the norm
    - Institutional support at about *a little more than half* the norm
  - Fairness between institutions
    - Mighty difficult to achieve perceived “fairness” with this level of deprivation.
      - Is the measure average deprivation or absolute level of support?
Good finance policy: transparency to relevant stakeholders

- Transparency to Legislators and Governor
  - The categories are well understood
  - How additional resources relate to achieving state goals is not clear.
    - Fee For Service could be incentive based
    - But today just “rounds out the formula”
    - More “hold harmless” than “incentivize change
Good finance policy: transparency to relevant stakeholders

- Transparency to citizens
  - COF not yet achieving goal of encouraging greater participation
  - Still confusion between gross and net price
  - Fee for Service focused more on institutions’ needs than on state’s needs
Good finance policy: transparency to relevant stakeholders

- Transparency to institutions
  - Institutions at risk because COF payments are not predictable
  - Fee for Service is perhaps all too predictable – following past practice, rather than state’s emerging needs
  - The *C-Change’s* temporary condition places funding sustainability at risk
Good finance policy – resource allocations reinforce the State’s priorities

- Dependent upon both the *level* of resources and the *allocation* of resources
- Colorado suffers on both
  - *Level* is simply insufficient to sustain a strong higher education system
    - May not even be viable *after the C-Change*
  - *Allocation* fails to consider all sources of funds – Appropriations, Tuition, and Financial Aid (*ATFA*) in a cogent, philosophically sound set of policies
- *Formula Fixation:* Funding formulas don’t generate funds; they only allocate them
- Good policy, however, requires tackling both
- And doing so with an *ATFA* attitude.
- You need *Policies In Sync*
Performance Relative to Total Funding per FTE – Overall Index Scores for State Higher Education Systems (NCHEMS)
CHALLENGES OR OPPORTUNITIES

- Persistent Equity Gaps
- Substantial Growth
- Limited Resources, but prospects for More
  - More for More
  - Same for More
  - Less for Less
  - Not More for Less anymore in Colorado
- Some Policies and Practices “Out of Sync”

- The Ultimate Challenge – To Turn your Joy Ride into a Joyous Ride