May You Live In Interesting Times

Proverb or Curse?
The Context: *These Interesting Times*

- Competitiveness
- Demographics
- Finances
- Productivity
The Context: *These Interesting Times*

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Percent of Adults with an Associate Degree or Higher by Age Group
U.S. & Leading OECD Countries, 2012

Source: OECD, Education at a Glance 2014 (for 2012); U.S. Census Bureau
Comparing [State] with Nations and Other States in the Percentage of Young Adult Degree Attainment (Ages 25-34)

<table>
<thead>
<tr>
<th>U.S. States</th>
<th>OECD Country</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Korea (65.7)</td>
</tr>
<tr>
<td></td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Japan</td>
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<td></td>
<td>58</td>
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<tr>
<td></td>
<td>Canada</td>
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<tr>
<td></td>
<td>56</td>
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<tr>
<td>Massachusetts</td>
<td>54</td>
</tr>
<tr>
<td>Minnesota</td>
<td>52</td>
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<tr>
<td>Iowa, New York</td>
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<tr>
<td>Nebraska, New Hampshire, New Jersey</td>
<td>Luxembourg</td>
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<tr>
<td>North Dakota</td>
<td>Ireland</td>
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<tr>
<td>Virginia, Colorado, Illinois, Connecticut</td>
<td>United Kingdom</td>
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<tr>
<td>Maryland, Pennsylvania</td>
<td>New Zealand, Australia</td>
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<tr>
<td>Wisconsin</td>
<td>Norway</td>
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<tr>
<td>Washington, Rhode Island, Vermont</td>
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<tr>
<td>Delaware</td>
<td>Israel, UNITED STATES</td>
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<tr>
<td>Kansas, Utah, South Dakota</td>
<td>Sweden, Netherlands, Belgium, France</td>
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<tr>
<td>Missouri, Ohio, Hawaii, California, Montana</td>
<td>Poland, Switzerland</td>
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<tr>
<td>Oregon, North Carolina</td>
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<tr>
<td>Michigan, Maine, Indiana, Florida</td>
<td>Denmark, Estonia, Finland</td>
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<tr>
<td>South Carolina</td>
<td>Spain</td>
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<td>Idaho, Georgia</td>
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<tr>
<td>Tennessee, Alabama, Arizona</td>
<td>Iceland</td>
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<td>Wyoming, Texas, Kentucky, Oklahoma</td>
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<td>Mississippi, West Virginia</td>
<td>Slovenia, Greece</td>
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<td>New Mexico, Louisiana</td>
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<td>Alaska, Arkansas</td>
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<td>Nevada</td>
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<td>Hungary</td>
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<td>Germany</td>
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<td>Portugal, Czech Republic</td>
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<td>Slovakia</td>
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<tr>
<td></td>
<td>Mexico</td>
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<td></td>
<td>Austria</td>
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<td></td>
<td>Chile, Italy</td>
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<tr>
<td></td>
<td>Turkey</td>
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<tr>
<td></td>
<td>20</td>
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</tbody>
</table>

Source: 2014 OECD Education at a Glance (for year 2012); 2012 American Community Survey
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)

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: These Interesting Times

- Competitiveness
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- Productivity
Difference in College Attainment Between Whites and Minorities (Blacks, Hispanics, Native Americans) (2008-10)

Source: U.S. Census Bureau, 2008-10 American Community Survey
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)
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Public FTE Enrollment and Education Appropriation per FTE, U.S., 1988-2013

Note: Net tuition revenue used for capital debt service included in the above figures. Constant 2013 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

Source: State Higher Education Executive Officers
Educational Appropriations per FTE Percent Change by State, Fiscal 2008-2013

Note: Dollars adjusted by 2013 HECA, Cost of Living Adjustment, and Enrollment Index.
Source: State Higher Education Executive Officers
Note: Dollars adjusted by 2013 HECA, Cost of Living Adjustment, and Enrollment Index; total educational revenue excludes net tuition revenue used for capital debt services.

Source: State Higher Education Executive Officers
The Context: *These Interesting Times*

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<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Not Enrolled or Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US</strong></td>
<td></td>
<td><strong>US</strong></td>
</tr>
<tr>
<td>Public Universities</td>
<td>61%</td>
<td>23%</td>
</tr>
<tr>
<td>Private Colleges &amp; Universities</td>
<td>72%</td>
<td>19%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>37%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Completion rates for first-time students compared to non-first-time students – ACE/Inside Track/NASPA/NSC - 2014

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>First-time students</th>
<th>Non-first-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Yr Public</td>
<td>60%</td>
<td>44%</td>
</tr>
<tr>
<td>4 Yr Private</td>
<td>72%</td>
<td>53%</td>
</tr>
<tr>
<td>4 Yr Private For-profit</td>
<td>43%</td>
<td>37%</td>
</tr>
<tr>
<td>2 Yr Public</td>
<td>36%</td>
<td>27%</td>
</tr>
<tr>
<td>2 Yr Private</td>
<td>54%</td>
<td>48%</td>
</tr>
<tr>
<td>2 Yr Private For-profit</td>
<td>62%</td>
<td>40%</td>
</tr>
</tbody>
</table>
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Total: Public Colleges & Universities

1.84/$100,000 = $54,348/Degree
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Bachelor’s & Master’s Colleges & Universities

2.20/$100,000 = $45,455/Degree

Source: NCES, IPEDS Completion and Finance Survey; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Research Universities

1.82/$100,000 = $54,945/Degree
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Two-Year Institutions

1.58/$100,000 = $63,291/Degree

Source: NCES, IPEDS Completion and Finance Surveys, U.S. Census Bureau, American Community Survey Public Use Microdata Samples
In Sum: *These Interesting Times*

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*

Six Current Thrusts of the Change Agenda

*Policy & Practice*

- The completion agenda
- Expanding the concept of student
- Student Learning Outcomes
- Competence as the new coin of the realm
- Innovation & disruption
- The new normal for funding
The Change Agenda: *These Interesting Times*

**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 -- 33 States*
- *Angst*
  - *Do we really need to get there?*
  - *Can we get there from here?*
  - *Will quality suffer?*
- *Implications for UPCEA*
  - *Need to address the telling NSC data*
The Change Agenda: *These Interesting Times*

**Expanding the Concept of student**

- **Looking down**
  - Early college 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 to Postsecondary Adult Focus – A mighty heavy lift
  - Workforce & Workplace partnerships

- **Redefining college**
  - The “course level” movement – piece by piece
  - Demonstrated competence (more to come)

- **Implications for UPCEA**
  - Workplace opportunities
The Change Agenda: *These Interesting Times*

*Student Learning – the new name of the game*

- A good idea whose time has come
  - Why now
    - Readiness 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, PLA, etc.)
    - Being Supported financially – Lumina’s DQP & Tuning work

- Angst
  - Whopping big change – moving to external validity
  - Still sorting out
    - Teacher’s role
    - Institution’s role
    - Governing board’s role
    - Government’s role

- Implications for UPCEA
The Change Agenda: *These Interesting Times*

**Competence – the new coin of the realm**

- Competency Assessment for the Student’s Sake
  - Transfer and Articulation – Trusting the community (Passport)
  - Demonstrated college level learning outside the Academy
    - Prior Leaning Assessment – PLA
    - CLEP, testing out, etc.

- Competency Assessment for Institution’s Sake (Educational Improvement & Credibility)
  - Predictive Analytics
  - Degree Qualifications Profiles
  - Tuning

- Implications for UPCEA
  - Get into the discussions on campus
The Change Agenda: These Interesting Times
Innovation & Disruption are good (everything else is boring)

- The list (partially)
  - New providers of degrees
    - The expansion of the for-profit sector
    - The expansion of most institutions on-line
    - The $10,000 Degree in Public Institutions
    - WGU expansion into multi-state “recognition”
  - New providers of courses & services
    - MOOCS
    - Courses only – Straighter Line, DreamDegree, etc.
    - Support services only – Insidetrack, Kahn Academy, Smarthinking, etc.
  - Marketing or Consumer Information
- Implications for UPCEA
The Change Agenda: *These Interesting Times*  
*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
Outcomes-Based Funding: The Wave of Implementation

Implementing
Implementing in one Sector
Under Development
Active Interest
The Change Agenda: *These Interesting Times*

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
    - Seeping into institutional finance – RCM
The Change Agenda: *These Interesting Times The New Normal for Funding*

- What the new normal will 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 UPCEA – ready adult is a quick way to pay day
The Change Agenda: *These Interesting Times*

**Summing it all up**

- The times they are a changing
  - The way we provide education is changing
  - Who we educate is changing
  - The way we assess the quality of our enterprise is changing
  - The way we finance the enterprise is changing
- So,

- **To Survive & Thrive**
  - Be Aware
  - Be nimble
  - Be ready to change,
  - And be comfortable being disrupted
May You Live in Interesting Times

Perhaps not a Proverb

Certainly Not A Curse

Definitely a Challenge

But also an Opportunity

It Is What It Is

Make the Most of It