Changing Directions: Integrating Higher Education Financial Aid and Financing Policy
Beaverton, Oregon
December 3, 2002

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Changing Direction in the Perfect Storm and Done in the Oregon Way
The Perfect Storm in American Higher Education

- Limited resources
- Increasing demand
- Tough to serve customer base
Limited Resources

- The Past – Worse than it seems.
Change in OUS & Community Colleges

State Appropriations and Enrollment, 1991 to 2001

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<th>OUS</th>
<th>Community Colleges</th>
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<tbody>
<tr>
<td>CPI-Adjusted appropriations</td>
<td>32.2%</td>
<td>61.5%</td>
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<td>Enrollment</td>
<td>-4.2%</td>
<td>17.0%</td>
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<tr>
<td>State &amp; local appropriations</td>
<td>16.9%</td>
<td>24.1%</td>
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Source: Western Interstate Commission for Higher Education
Limited Resources

- The future looks no brighter
State Fiscal Projections – 2008

State and Local Surplus or Shortfall as a Percent of Baseline Revenues

Source: National Center for Higher Education Management Systems (NCHEMS)
Impact on Higher Education – 2008

Projected Annual State Spending Increase Needed for Higher Education to Maintain Current Services

Source: National Center for Higher Education Management Systems (NCHEMS)
Increasing Demand

- Simple demographics
- Increased participation
- Increased performance
Increasingly difficult to satisfy customers

- The students as customers
  - From communities we have not served well in the past.
- Oregon economy as the customer
  - Higher skills and education necessary
- Oregon society as the customer
  - Quality of life is more than $$s.
The Perfect Storm

- Limited resources
- Increasing demand
- Tough to serve customers
The Politician’s Perspective

- To be politically viable
- To make a positive difference.
The Oregon Dilemma

- You face the perfect storm
- But it doesn’t look so bad
- The result, however, could be catastrophic.
The Challenge

- Build expectations
- Make the case – truth and consequences
- But, real world based – set limits within constraints
- Without being “uppity”.

Western Interstate Commission for Higher Education
Essentials

- Good rhetoric
- Better planning
  - Rational
  - Transparent
The Key – Integrated Finance Policy

- Institutional Support – Policy and Practice
- Tuition – Policy and Practice
- Financial Aid – Policy and Practice
Institutional Support

- To sustain Quality
- To sustain Access
- To sustain “publicness”.

Institutional Support – Options

- Status Quo  + or –
- Enrollment driven
- Base + (Performance funded)
- Productivity improvement model
Tuition

- Up, up, and away
- So, what makes sense?
  - Many answers
    - The right base
    - The right index
  - Just find the Oregon Way intentionally
Financial Aid

- Ouch
- Why
  - Enhance access
  - Enhance choice
  - Enhance performance
  - Reward performance
  - Attract attractive students
  - Steer students.
Financial Aid – Design features of sound state policy

- Who
- How much
- Where
- For what
- When
- From whom
- Partnering smartly
Options

- A little is better than none – Oregon today
- More is better – The Oregon strategy
- Reducing unmet need
- Building your own philosophy
  - Washington
  - Minnesota
Principles in
BRINGING THE BIG THREE TOGETHER

Institutional Support, Tuition, and Financial Aid

1. Do No Harm.
2. Do good, on access.
3. Do good, on quality.
4. Do well on the public’s perception of both.
When will you be there?

- When you don’t think of one, without the other.
- When you value each other publicly and privately.